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ANNUAL WORKPLAN FY2014

FEED THE FUTURE

INTEGRATING NUTRITION IN VALUE CHAINS PROJECT, MALAWI

COVERING PERIOD: 1ST OCTOBER, 2013 – 30TH SEPTEMBER, 2014

FINAL - REVISED

December 2013

This publication was produced for review by the United States Agency for International Development. It was prepared by DAI and its partners under the Feed the Future- Integrating nutrition in value chains project, Malawi

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Program Title:	**Malawi Integrating Nutrition in Value Chains**
Sponsoring USAID Office:	**USAID/Malawi**
Contract Number:	**AID-623-I-10-00003**
Contractor:	**DAI**
Date of Publication:	**December 2013**
Author:	**Integrating Nutrition in Value Chains Staff, Consultants, and Grantee Partners**

AUTHORITY/DISCLAIMER

Prepared for USAID/Malawi under Contract Number AID-623-I-10-00003 awarded on April 25, 2012, entitled Malawi Integrating Nutrition in Value Chains (INVC).

This document is made possible by the support of the American People through the United States Agency for International Development (USAID). It was completed in partial fulfillment of Section F.6.(e).1. of the reference contract. The views expressed and opinions contained in this report are those of the Malawi INVC field team and are not intended as statements of policy of either USAID or the contracting companies. As such, the contents of this report are the sole responsibility of the DAI Field team and do not necessarily reflect the views of USAID or the United States Government.

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ABBREVIATIONS

ADMARC	Agricultural Development and Marketing Corporation
AI	Artificial Insemination
ARET	Agricultural Research and Extension Trust
ARI	Acute Respiratory Infection
ASWAp	Agriculture Sector Wide Approach
BCC	Behavior Change Communication
BDS	Business Development Services
CAADP	Comprehensive African Agriculture Development Program
CBO	Community Based Organization
CCFLS	Community Complementary Feeding and Learning Sessions
CG	Care Group
CGIAR	Consultative Group on International Agricultural Research
CH	Community Health
C-IMCI	Community Integrated Management of Childhood Illness
COP	Chief of Party
COMESA	Common Market for Eastern and Southern Africa
CONGOMA	Council for Non-Governmental Organizations in Malawi
CGV	Community Group Volunteers
CSB	Corn Soy Blend
CTC	Community Therapeutic Care
DAPP	Development Aid from People to People
DAES	Department of Agricultural Extension Services
DCOP	Deputy Chief of Party
DHS	Demographic and Health Survey
ELISA	Enzyme-Linked Immune-Sorbent Assay
EMMP	Environmental Mitigation and Monitoring Plan
EPA	Extension Planning Area
ENA	Essential Nutrition Actions
ERF	Environmental Review Form
EU	European Union
FAS	Field Accounting Systems
FBO	Farmer Based Organization
FISP	Fertilizer Input Subsidy Program
FTF	Feed the Future
FUM	Farmers Union of Malawi
FY	Fiscal Year
GAP	Good Agricultural Practices
GBC	Grain Bulking Center
GDA	Global Development Alliance

GHI	Global Health Initiative
GIS	Geographic Information System
GM	Growth Monitoring
GMO	Genetically Modified Organism
GOM	Government of Malawi
HACCP	Hazard Analysis and Critical Control Points
HSA	Health Surveillance Assistant
HICD	Human and Institutional Capacity Development
ICRISAT	International Crops Research Institute for the Semi-Arid Tropics
IEE	Initial Environmental Examination
IFPRI	International Food Policy and Research Institute
INVC	Integrating Nutrition in Value Chains
IHS	Integrated Household Survey
ICT	Information Communication Technology
IIF	Investing in Innovation Fund
I-LIFE	Improving Livelihoods through Increasing Food Security
IQC	Indefinite Quantity Contract
IR	Intermediate Results
ISF	Implementation Support Fund
IT	Information Technology
IITA	International Institute of Tropical Agriculture
KFP	Key Family Practices
LQAS	Lot Quality Assurance Sampling
MBG	Milk Bulking Group
MCHN	Maternal Child Health and Nutrition
M&E	Monitoring and Evaluation
MAD	Minimum Acceptable Diet
MDDA	Malawi Dairy Development alliance
MLI-BM	Market Linkages Initiative- Bridging Mechanism
MMPA	Malawi Milk Producers Association
MOH	Ministry of Health
MOU	Memorandum of Understanding
MSU	Michigan State University
NASFAM	National Association of Smallholder Farmers of Malawi
NGO	Non Governmental Organization
NRU	Nutritional Rehabilitation Unit
OCAT	Organizational Capacity Assessment Tool
OIBM	Opportunity International Bank of Malawi
PDH	Positive Deviance/Health
PDI	Positive Deviance Inquiry
PFS	Partners in Food Solutions
PIRS	Performance Indicator Reference Sheet
PMEP	Performance Monitoring and Evaluation Plan

RUMARK	Rural Market Development Trust
RUTF	Ready to Use Therapeutic Food
RSA	Republic of South Africa
SA	Supervision Area
SATH	Southern Africa Trade Hub
SSD-E	Support for Service Delivery - Excellence
Sub-IR	Sub Intermediate Results
SFSA	Support for Food Security Activities
SO	Strategic Objective
SPS	Sanitary and Phyto-Sanitary
TAMIS	Technical and Administrative Management Information System
USAID	United States Agency for International Development
USDA	United States Department of Agriculture
USG	United States Government
VAC	Village Aggregation center
VCS	Value Chain Specialists
VAT	Value Added Tax
WALA	Wellness and Agriculture and Life Advancement
WFP	World Food Program

INTRODUCTION

This document presents the Feed the Future Integrating Nutrition in Value Chains (FtF-INVC) Project's Year Two Work Plan for the period October 1, 2013 to September 30, 2014.

Awarded on April 25, 2012, FtF-INVC project runs for three years from April 2012 to April 2015. The project has been designed to advance the vision of Feed the Future and Global Health Initiative in Malawi, and focuses its activities to deliver the Initiatives' two over-arching goals:

- Sustainably reducing rural poverty
- Improving nutrition

These goals reinforce Malawi's Poverty Reduction Strategy and USAID/Malawi's Development Objective (DO) of Increasing Sustainable Livelihoods. The project's activity components contribute directly and indirectly to meeting this objective.

The Year One Work Plan covered the first twelve months of the contract. A Bridging Workplan covers the period beginning April 25, 2013 (the end of the first year) through September 30, 2013. The rationale for the Bridging Workplan was to bring the FtF-INVC calendar in alignment with the USAID fiscal year. This document therefore, covers the period from October 1, 2013 – September 30, 2014.

BACKGROUND AND CONTEXT

YEAR ONE LESSONS

In Year One, FtF-INVC increased partner capacity to design, initiate, and implement activities to USAID's high compliance standards. Five factors slowed our grant development and roll out. First, partners were surprisingly unfamiliar with USAID standards and requirements for grants, even those who have received USAID funding through intermediating collaborative agreements or sub-grants for many years. Moreover, partners displayed a low level of concern for compliance with USAID regulations and requirements for grants in contracts, apparently because they believed that the loose requirements applied to sub grantees under cooperative agreements applied to grants in contracts. Bringing them on board and assisting them to set up internal systems to abide by USAID requirements took an inordinate amount of time. Second, while partners were good at writing brief concepts, partners had great difficulty developing a full and coherent technical and cost proposal worthy of USAID's review-time. Third, partners seemed to have little understanding of demand-driven service supply. Initial grant proposals were designed using the model of top-down planning for supply-driven provision of goods and services. Fourth, grant proposals showed a high institutional propensity to build high-fixed cost units and overheads to deliver services or goods in areas in which they had little prior experience (i.e., behavior change communication, business plan development, accountancy and human resource training, seed multiplication), core expertise or operating capacity, rather than to buy the needed services from existing and qualified providers. In short, there is inclination to vertically integrate areas that are not their core strengths. Their past experience with donors appears to have deepened donor dependency and increased their penchant for vertical integration by crowding out service supply from either state-funded training and R&D institutions or private companies. Fifth, even the highest ranked national organizations from our OCAT analysis demonstrated significant weaknesses in the core governance and administrative functions needed to

design, plan, launch, and manage grants that meet the scale and pace of USAIDs ambitious Feed the Future program in Malawi.

In response to these issues, we adjusted our initial strategies and tactics to help our agricultural implementing partners (NASFAM, FUM, CADECOM, MMPA) and service providers (ACE, IITA, Pakachere, CISANET) apply higher grant design standards and meet the basic requirements to qualify as mentored-grantees following USAID pass-through compliance obligations. FtF-INVC made significant progress and delivered substantial results, though at a slower pace than expected.

FTF - BRIDGING WORKPLAN

The Bridging Workplan period has been marked by the expansion of Value Chain Competitiveness through work with ACE to deepen the reach of safe and secure storage beyond Blantyre and Lilongwe to rural areas; successfully recruit more banks to finance warehouse receipts using staple foods as collateral in these rural stores; and to introduce and rapidly build a base of Forward Contracts to the Malawi market for raw material supply to leading food and feed processors this marketing year. In the Fall of 2013, the demand for finance for the new instruments in staple crops exceeded supply of loan capital. The main cause of the undersupply is that the Government of Malawi continues to absorb much of the available liquidity through Treasury Bill auctions that offer low-risk returns.

Our work with associations and organizations along all three value chains to structure industry platforms to address policy, regulatory, and technical issues that constrain productivity improvements has resulted in the launching of two industry associations (SOYAMA and DIDP) supported through CISANET to improve prioritization of their policy agenda and member-oriented services. We are mentoring CISANET to offer industry association incubation services to SOYAMA, DIDP and other industry-led groups. Government dominance of the upstream groundnut value chain associations through the GLT (Grain Legume Trust) has slowed the more complicated task of building a value chain platform that links in processors and marketers faced with the triple challenges of highly fragmented, low productivity supply channels; a dualistic rural-urban divide in domestic markets for groundnut products in Malawi; and the greater intensity of application of tougher food safety standards on maximum allowable levels (MAL) of aflatoxin in the higher-value segments of groundnut export markets (regional markets in RSA, World Food Program and donor feeding programs, and extra-regional high-value markets). In FY 2014, we will work with other programs to build a groundnut-focused\ industry working group that is led by the private sector.

We surmounted both expected and unexpected difficulties in Agricultural Productivity Activities. Our experience in harvest, postharvest, and marketing training in Quarter 2 programs with partners showed that -- despite lip-service paid to the use of adult-education approaches and interactive sessions with farmers -- most materials, instructor guidelines, and training of trainers are highly "classroom" oriented, paper based, and have few –often no-- hands-on exercises. The current training standard includes little reinforcement through seasonally timed demonstrations that use real tools and equipment in the field, home, village, or aggregation point. From a farm management perspective there is little or no transfer of basic calculation skills and managerial rules-of-thumb essential to improving farmer practice, and usually there is no financial analysis of the costs and benefits, gross margins, opportunity costs, or risks of recommended changes in technologies or management practices. Close supervision of the quality of the content and process of Trainer to Lead Farmer and Lead Farmer to Farmer training is almost entirely lacking, outside of the higher unit value chains with stronger vertical integration (i.e., tobacco, cotton, coffee, etc.)

Even more worrying, field officer incentives among implementing value chain partners seem heavily, sometimes exclusively, focused on 2:1 recovery of seed from farmer members. It forms a major part of their performance evaluation. Beyond the distortions in extension service delivery that this creates,

there are both technical and financial issues with the seed recovered and its postharvest storage and handling. Recovered seed needs to be sampled and tested for germination and vigor before the following planting seasons, because farmers will tend to save the best grain for their own use as seed, while returning the lower food grain quality soybeans to farmer associations and NGOs to repay loans. Substandard seed needs to be sold as food grain and the proceeds used to purchase certified seed. The 2:1 weight recovery rate is too low to sustain a revolving fund if a substantial portion of the recovered grain cannot be used as seed. It would have been feasible if the recovered grain met the certified seed standard in Malawi. However, as INVC found in September 2013, the recovered seed was of very heterogeneous quality because of lack of quality control at the collection points and recoveries resulted in a seed recovery of less than 1.5 to 1:0. The soybean certified seed cost for 2012/13 was $2.65/kg. In late August 2013, the urban market price for soybean grain was $0.46/kg. Therefore, if all recovered seed is of a quality that is at or below food grain standards then INVC partners needed to recover 5.8 kg market –grade grain for every 1 kg of certified seed that is distributed (in-kind loan) or there is no possibility to maintain a revolving fund for certified seed purchase and distribution to new area or new varieties. Onward distribution of Grade B seed to new farmers in the same areas (and to provide for seed purchases by clubs) would have been more financially feasible if storage at GACs was done rather than aggregation of all seeds at AMCs Depending on the quality of soybeans recovered (i.e., germination rate, vigor, and yield potential), this logic suggests that the seed recovery and renewal strategy of partners and many donors is flawed, because instead of a seed revolving fund, current practice across donor projects will lead to a rapid disappearance of in-kind funds unless they are perpetually subsidized.

Further, partner staff who work on soybean do not usually make provisions for procurement of quality rhizobium to inoculate the qualifying smallholder seed that is recovered and that will be distributed to farmers. SeedCo provides commercial grade inoculant along with the certified seed that it sells. SeedCo management has indicated that it will sell rhizobium inoculums separately from seed this year, but that its stock provisions were being made in August. NASFAM also imports soy rhizobium inoculants. The sources of inoculum are from international rhizobium inoculant producers in the USA and the EU. INVC has asked partners to estimate their rhizobium demand and incorporate it into the operations of the seed revolving fund. DARS rhizobium is of too inconsistent a quality to use for FY 2014, and IITA imports only tiny quantities for research purposes. We do not believe that DARS, or IITA for that matter, should attempt to crowd out the established, high-quality, high-consistency, and cost-competitive international suppliers of rhizobial inoculants. DARS staff sit on the Agricultural Technology Committee that authorizes the release for public distribution and sale of all agricultural technologies in Malawi, placing it in a direct conflict of interest situation when it enters into commercial or parastatal investments. Currently the vast majority of the marketplace for seed, fertilizer, inoculum, and other inputs is driven by the public policy on input supply and the rapid increase of the contract market for inputs driven by donor-funds. INVC will provide STTA in 2014 to address the sustainability issue, because the basic assumption of most seed, inoculum and input supply is that there will be recurring public subsidies from national and donor sources forever.

These issues are part of the reason why FtF-INVC has supported the bulking of breeder and foundation seed of Tikolore that does not require purchase of inoculants to support nitrogen fixation. Disappointing multiplication of the breeder seed under IITA supervision by CDI has resulted in much lower production of foundation seed than planned, derailing plans for winter multiplication that would have turned the foundation seed into substantial quantities of certified seed for sale and distribution in the 2013/2014 production year. This means that certified seed will be produced during the main rainy season of 2013/2014 for sales and distribution in the main rainy season in 2014/2015. IITA should not have used only one multiplier of Tikolore, but was pressed for time to catch the 2012/2013 rainy season. However, the cause of the low seed output from CDI is still being investigated.

The Bridging Work Plan period has Year One experience to re-set standards for partners in and preparations for the 2013/2014 season's value chain productivity and income achievements. Improvements in training materials on agronomic practices have been discussed well beyond FtF-INVC partners in national consultations. FtF-INVC partners with grants are expected to shift to true adult-education approaches, practical demonstrations, and provision of adequate equipment, seeds, measuring devices, etc. for use in September and October during Lead-Farmer to Farmer training. This will also include seed viability testing training for farmers, through germination testing, before the rainy season. However, there is substantial resistance to this standard, because managers, supervisors, and trainers are inexperienced in the delivery of this type of training; it requires more intensive work in the field in difficult conditions during the full cropping seasons; it requires reallocation of budgets from staff salaries and allowances to equipment purchases and equipment transport logistics; and, because classroom-type training (regardless of the "field" location of the training) has become the accepted norm. Also, we have encountered a lack of basic skills in "technical" field staff with diplomas and bachelors and masters degrees, or a loss of skills after graduation in terms of basic practice such as germination testing, plant vigor assessment, crop condition, etc.

The Bridging Workplan period also marks the initiation of field activities to Improve Community Capacity to Prevent Under-Nutrition by operationally integrating nutrition in value chains through technical service providers of care groups (Nkhoma Hospital) and Behavior Change Communication (Pakachere Foundation) working with the EPA, T/A, Ward and village-level organizational units (associations and clubs) of NASFAM and FUM in Lilongwe and Mchinji Districts.

Capacity development has received increased attention during the bridging period, with the engagement of Malawi Institute of Management (MIM) to offer training on OCAT measures in July and August. DAI's Center for Development Excellence leader presented an intensive short course on doing business and complying with USAID requirements in July 2013, which set the stage for partner-by-partner adaptation of capacity development assistance at the national level.

FTF – INVC FY2014 WORKPLAN

FY 2014 is the year of acceleration and integration of results-generating activities. Core implementing partners together with their technical service providers will redouble their efforts to meet the challenges of ambitious but achievable targets.

Our work planning session with partners held at Ufulu Gardens on August 7-8, 2013 was preceded by two days of technical preparatory work on August 5-6 and was followed by development of individual staff schedules on August 9 to include: their activities that go beyond individual grantee program management (i.e., policy and regulatory issue identification and prioritization, industry platform development, value chain supporter and regulator work); the planning and scoping of short-term technical assistance needs; and, the identification of points of coordination with other projects and donor programs.

The core of August 7-8 work with partners was to: obtain realistic estimates on delivery of activities and results by the end of September 2014; assess the operational feasibility of the achievement of rolled-over FY 2013 deliverables and the FY 2014 deliverables for each grantee; adjust timing of activities to account for household member labor demand and village accessibility during the rainy season; and adjust strategy based on Year One experience.

Three value chain implementing partners are revising strategies to meet organizational, policy, and marketing changes encountered since their grants were designed. NASFAM is reinforcing its supervisory staff numbers to push down the new training standards and setting new performance

incentives for its field officers. NASFAM is also shifting its processing strategy from a centralized to more localized strategy that will do business plans with associations to site and size simpler cooking oil and meal units in order to improve access to -- and reduce unit costs of -- these products to align with local consumption patterns and purchasing power. CADECOM is making adjustments to its aggregation and marketing plans to better align collection and storage points with the cash-flow needs of its members through warehouse receipts. MMPA is shifting strategy to incorporate more existing Zebu and cross-bred Zebu cattle as suppliers of milk to MBG's rather than continuing to exclude the largest near-term source of increased supply of milk to processors and vendors. All implementing partners, including FUM, are building out their expanded supervisory and field staff to reach new members. All implementing partners have begun to internalize the rationale and the process for integrating technical service providers and BDS suppliers into their planning and operations.

The staggered start dates for grants has given FtF-INVC the opportunity to roll in changes in procedures and approaches as issues and opportunities have arisen. Our FY 2014 Capacity Development activities work plan has benefitted, because the demand for training and mentoring at our three capacity development levels -- National Organizations (FORWARD procurement mandate), member associations (business plans), and farming households (production, marketing, and nutrition training and education) – has been staggered, enabling us to adjust approaches before the activities are rolled-out at larger scale.

INVC Target Beneficiaries

Malawi smallholders that are eligible for participation in FtF-INVC activities are described as "the poor with assets." These are smallholders who, while they do not belong to the "ultra poor" group that fall well below the poverty line, nevertheless lack sufficient resilience to completely escape from the possibility of falling under the line in the future. External shocks beyond their control could at any given time easily plunge them into poverty.

This population representing the target beneficiaries shares the following characteristics:

- Cultivate between 1.25 to 3 acres (0.5 to 1.2 Ha) of land,
- Produce sufficient maize for home consumption,
- Have the potential to increase maize productivity and to free up land for crop diversification to legume production,
- Access extension services and inputs (seeds and inorganic fertilizers), and
- Have the potential for linking to markets.

INVC Target Districts

The focus on diversification into legume production (groundnut and soy bean) and dairy for their income generation, soil fertility and moisture enhancement and nutritional benefits, define FtF-INVC's geographic scope as those areas of Malawi suitable for these agricultural activities. The seven districts, spanning two regions (central and south) and affecting 275,000 households, with highest potential for increasing legume and dairy production are Mchinji, Lilongwe, Dedza, Ntcheu, Balaka, Machinga and Mangochi (Figure 1). All are included in FY 2014 activities.

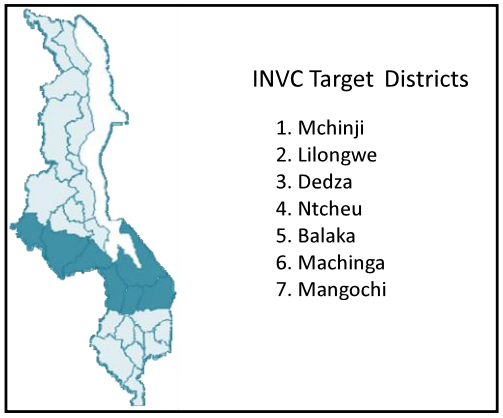


Figure 1: INVC Zone of Impact

RESULTS FRAMEWORK

FtF-INVC activities fall under six intermediate results (IRs). These IRs highlight the close linkage between agriculture and nutrition, and the leveraging of resources from across both the Feed the Future (FtF) and GHI portfolios further underscore the centrality of the two domains to the success of INVC (Figure 2).

Both support the overall USAID FtF and GHI goals, which are**:**

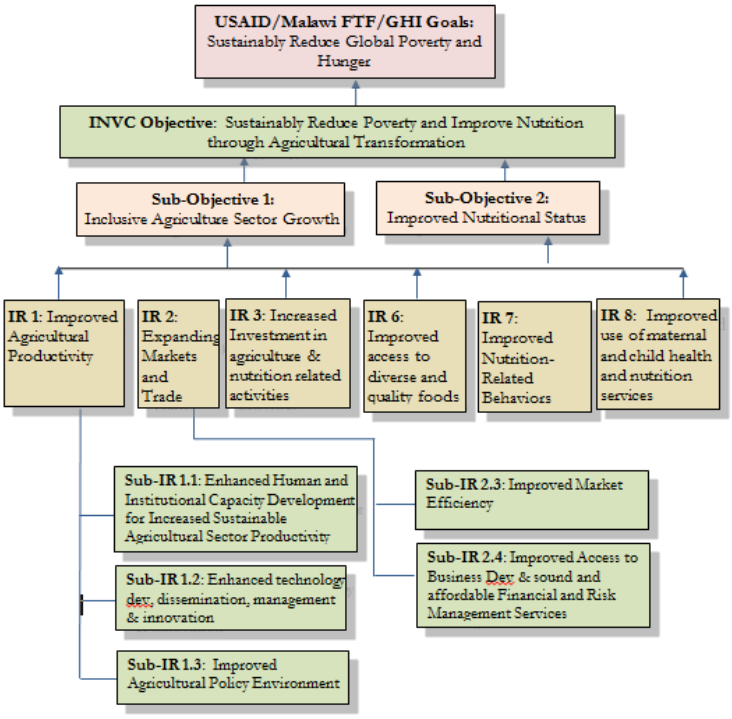
- Sustainably Reduce Poverty and Hunger in Malawi
- Foster a healthier Populace able to participate in the nation's economic development

The six IRs and their subsequent sub-IRs are clustered around a framework that supports the achievement of a strategy that delivers strongly and demonstrates the achievement of the Mission-level Objectives:

- Inclusive Agriculture Sector Growth
- Improved Nutritional Status

Each of the IRs and sub-IRs targets all five INVC components where the project must narrow down its technical priorities and achieve results in order to maximize contribution to the Mission objectives.

FIGURE 2: MALAWI INVC RESULTS FRAMEWORK



Together the IRs and sub-IRs provide the pathway for INVC to achieve its development goals, strategic objectives, and required results. The IRs and Sub-IRs under the two objectives are presented below:

Sub-Objective 1: Inclusive Agriculture Sector Growth

IR 1: Improved Agricultural Productivity
- Sub-IR1.1: Enhanced Human and Institutional Capacity Development for Increased - Sustainable Agricultural Sector Productivity
- Sub-IR1.2: Enhanced Technology Development, Dissemination, Management, and Innovation
- Sub-IR1.3: Improved Agricultural Policy Environment

IR 2: Expanding Markets and Trade
- Sub-IR2.3: Improved Market Efficiency
- Sub-IR2.4: Improved Access to Business Development and Sound and Affordable Financial and Risk Management Services

IR 3: Increased Investment in Agriculture and Nutrition-related Activities

Sub-Objective 2: Improved Nutritional Status

IR 6: Improved Access to Diverse and Quality Foods
IR 7: Improved Nutrition Related Behaviors
IR 8: Improved Use of Maternal and Child Health and Nutrition Services
IR 3: Increased Investment in agriculture and Nutrition-related Activities

Table 2 below illustrates how each component and the IRs and Sub-IRs are linked to generate the outputs and outcomes leading to achievement of INVC's objectives.

Table 1: FtF-INVC Project Components and IRs

<table>
<tr><th>Sub-Objective 1: Inclusive Agricultural Sector Growth</th><th>Sub-Objective 2: Improved Nutritional Status</th></tr>
<tr><td>Component 1: Advancing Value Chain Competitiveness (IR-2;IR-2.3; IR-2.4)</td><td rowspan="2">Component 3: Improving Community Capacity to prevent Under-Nutrition (IR-6;IR-7;IR-8)</td></tr>
<tr><td>Component 2: Improving Ag. Productivity (IR-1;IR-1.2;IR-1.3)</td></tr>
<tr><td colspan="2">Component 4: Investing in Innovations (IR-3)</td></tr>
<tr><td colspan="2">Component 5: Developing Local Capacity (IR-1.1)</td></tr>
</table>

All FtF-INVC activities will contribute toward achieving the following performance targets (Table 3), as measured by the above IR indicators.

Table 2: Performance Indicators

Project Wide Performance Indicators	Life of Project Targets (Apr-25-2015)
Households benefiting from FtF-INVC facilitation	275,000
Children under 5 years of age with reduced malnutrition	100,000
Yield/hectare for legumes increased	15%
Yield/cow for milk increased	50%
Land area under legumes production increased	15%
No. of agriculture-related Malawian NGOs and/or governmental organizations with operational capacity and effectiveness increased	5

No. of local partners with effective management practices and financial systems with potential to receive future USG awards	3
Value of new investments by private sector actors increased as a result of innovation fund co-investments	$500,000

The Performance Monitoring and Evaluation Plan (PMEP) that fully documents the IRs and Sub-IRs, target outputs and outcomes over the life of the project is discussed below.

RESOURCES

Innovation Fund

FtF-INVC designed and launched its "Investing in Innovation Fund" (IIF) in FY2012 to stimulate new ideas and approaches to solving the problems of value chain inefficiency, reducing risks, improving competitiveness and chronic malnutrition in young children. The IIF serves to broaden participation in the search for solutions, inviting contributions from academic research, private industry, business entrepreneurs, the medical field, and others to submit their proposals. In FY 2014, innovations will be sought that focus on short-cycle efforts that can be completed in 6 months or less, because all grants must be completed by December 31, 2014 to permit orderly grantee activity close-down. Examples would include test of new marketing methods, product tests to gauge market demand, and processing runs for new products (e.g. fortified foods).

Grants

FtF-INVC's grants program provides funding to support the scaling of partner programs that align very closely with INVC objectives. Grants have been issued to local farmer organizations, non-governmental organizations, trade and professional associations, international research organizations as well as private sector entities that are part of the three target value chains.

The Grants Fund Manager provides close oversight of grantees throughout the period of their funding, and remains a resource available to them. FtF-INVC's Grant Manager is responsible for all grant recipients having the documentation and training they require. A more in-depth discussion of the status of grants is provided in Component 4 of this document.

Staffing

The FtF-INVC project recently made a staffing change affecting the key position of the M&E Specialist. The M&E Specialist position is currently filled on an interim basis by an M&E Coordinator with support from a consultant. Recruitment efforts are underway to fill this position; while recruiting to fill the position, the project has been using consultants to carry out the responsibilities of the M&E Specialist.

FtF-INVC intends to hire a full-time Communications Specialist, a non-key position. A part-time independent consultant currently supports INVC in this role, but the project is recruiting to fill this position on a full-time basis. This individual will be responsible for the editing and formatting of reports, documentation of project success stories, development of promotional materials, coordination of special events and field visits, and the adherence to the marking and branding guidelines established by USAID.

ACTIVITY MANAGEMENT

Overarching responsibility for FtF-INVC activity management rests with the Chief of Party who oversees both technical as well as operations aspects of the project. As a member of the technical team, the COP provides overarching oversight and guidance to staff working on policy activities. The Value Chains Competiveness Specialist has responsibility for the "Advancing Value Chain Competitiveness", and the DCOP, a qualified nutritionist, has responsibility for "Improving Community Capacity to Prevent Under-Nutrition" components, respectively. They share collective responsibility for the integration, sequencing and proper execution of activities under Components 1through 3.

In addition to providing the Agricultural Productivity Specialist and M&E Specialist, collaborating partner Michigan State University provides technical support to Component 2 – "Improving Productivity" as well technical expertise in agricultural production, agricultural policies, and gender.

FtF-INVC investments take into account other donor and private sector activities, leveraging resources as appropriate, coordinating with donors, maintaining dialogue and good working relationships with all stakeholders and partners within government circles, the donor community, and local and international non-governmental circles.

Technical Component Leaders guide local partners – grant recipients under either the Implementation Support Fund or Investing in Innovation Fund - in activity design and implementation to ensure proper focus and technical content leading to results consistent with FtF-INVC's stated goals. This capacity-building support comes in the form of on-the-job advisory services, sharing technical expertise in value chain diagnostics and sector expertise in dairy, soybean, and groundnuts, activity planning, and marketplace matchmaking.

Grantees are required to comply with a stringent set of reporting procedures as set out in the FtF-INVC grants manual. Grants establish agreed performance objectives, and FtF-INVC technical staff are therefore responsible for approving proposed work plans submitted by grantees and reviewing regular field reports. Technical staff ensure that field activities funded under FtF-INVC comply with U.S. Government grant-management regulations and that grantees are monitored and advised regarding any needed adjustments.

FtF-INVC's nutrition, BCC and health activities under Component 3 – "Improving Community Capacity to Prevent Under-Nutrition" are supported by DAI's collaborating partner, Save the Children, and managed under the guidance of the DCOP. However, the highly integrated nature of FtF-INVC activities requires on-going close communication between the nutrition and agricultural specialists. Component 3 specifically focuses on promoting change in behaviors that currently lead to chronic malnutrition and stunting in children aged five and under, along with pregnant and lactating women.

ENVIRONMENTAL MITIGATION AND MANAGEMENT PLAN (EMMP)

The FtF INVC Project complies with USG 22CFR216, the body of regulations that define environmental compliance in the US Foreign Assistance programs. FtF-INVC submitted an Environmental Mitigation and Monitoring Plan (EMMP) for USAID/Malawi's approval in May 2013. The EMMP is a detailed plan that integrates environmental compliance requirements with ongoing FtF-INVC activities, presents the project's Initial Environmental Evaluation (IEE), and identifies how the conditions established by the IEE will be met in activities implemented by the contractor and by grantees. As such, all grants and sub-contracts incorporate the environmental requirements that flow down from the INVC contract. The activities of each grant recipient are screened as they are

developed prior to obligating funds using a screening form, an environmental review form (ERF), and an environmental clearance form.

Grantees have been made aware of conditions that must be met and any mitigation measures that are required. Periodic monitoring by the FtF-INVC environmental officer (the Agricultural Productivity specialist) and grant Program Managers will ensure that these EMMP mitigation procedures are followed. A workshop session on the requirements set forth in the EMMP was provided to implementing partners as part of the Year 2 work planning session held in August 2013. FtF-INVC Program Managers and grantee/partners will review their work plans with the purpose of identifying any potential actions that have potentially significant environmental concerns so that they can be subjected to the required review and development of any needed mitigation activities, if needed.

PROGRAM SUPPORT ACTIVITIES

FtF-INVC activities are implemented through local partners in close coordination with GoM structures and funded through one of FtF-INVC's two grant mechanisms, the Implementation Support Fund or Investing in Innovation Fund (See Component 4). FtF-INVC core management and technical staff bear responsibility for ensuring adherence of all grantees to USAID grant recipient policies and guidelines as set forth in the USAID approved FtF-INVC grants manual.

Primary oversight of FtF-INVC operations and administration is the responsibility of the FtF-INVC Financial/Accounting Manager, who oversees the Accounting Manager and the Operations Manager and works with the Organizational Capacity Building Manager and the Grants Manager on the upgrades of local grantees administrative and financial management processes.

FtF-INVC finance staff members, working through the Grants Manager, provide clarification and assistance to their finance counterparts in the grantee institution, while FtF-INVC Value Chain Specialists are responsible for the technical integrity of and support to ISF and IIF-funded activities. The Organizational Capacity Building Manager works with each grantee to facilitate review, refinement or development of their strategic organizational development and business plans. The OCAT tool is used to assess and review changes in the institutional structure, legal standing, human and capital resources and capacities for implementing the organizational and business plans. Results of the assessment form the basis of an organizational development plan detailed in Component 5 of this work plan. Financial support for this capacity building is embedded in each ISF and IIF grant agreement.

FtF-INVC financial systems ensure that technical managers are kept informed in a timely manner as to the financial status (i.e., expenditure levels, burn rates against available funding) of the grantees under their supervision. The FtF-INVC field office is equipped with DAI's Oracle-based Field Accounting Systems (FAS) tailored for each project to record and manage field transactions. Although most of the project's financial transactions occur in the field, all financial information flows back through the home office for consolidation. Accounts are backed up, summary reports and analyses generated and these are regularly provided to field-based finance and senior management. These procedures allow FtF-INVC personnel to manage the budget based on up-to-date information for cost control and informed decision making. Special requests for financial and administrative data analysis are also made through the FAS.

DONOR COORDINATION

Malawi displays a broad array of donor programs whose technical content or geographic focus overlaps with FtF-INVC. The project team strongly believes that success in stimulating agricultural growth requires collaboration, coordination, and clear actions by all. We have studied different donor

and GoM portfolios to understand the activities, and we have engaged with programs that hold the most promise for synergy.

To foster synergy, reduce duplication, increase coordination, and contribute to development, FtF-INVC actively participates in several initiatives including the Technical Working Groups of CAADP, chaired by the Ministry of Agriculture and the Technical Working Group of the Ministry of Trade and Industry under the Trade SWAP that accompanies the National Export Strategy. FtF-INVC will participate in other relevant workshops and meetings organized by donors, NGOs, partner projects, and government ministries for the purposes of coordinating with donors and government offices. Meeting notes are drafted by staff, stored in the FtF-INVC TAMIS, and communicated as topics or issues arise in meetings or other communications with USAID.

KNOWLEDGE MANAGEMENT AND TAMIS

KNOWLEDGE MANAGEMENT

FtF-INVC is committed to continuous learning and applying those lessons to improving the content and delivery of its client-focused, results based activities. Knowledge about FtF-INVC's client impact is gleaned through analysis of data and information contained in regular field reports, and staff and stakeholder consultation. Our interpretation and understanding of what is occurring is shared and discussed through a variety of outlets and media appropriate to different audiences:

- Comprehensive quarterly reports for FtF-INVC, Implementing Partners and USAID/Malawi. Feedback solicited on these reports will be incorporated into activity redesign.
- Participatory Workshops for Stakeholders. Beginning in Year 1, FtF-INVC held information sessions periodically to discuss project experiences with stakeholders—particularly implementing partners.
- Publications – workshop presentations, program briefs, success stories, press releases. FtF-INVC produces technical and activity publications to highlight program results, innovations and learning.
- GIS-geospatial products, such as *Area Frame Spot Sampling*, entailing visual overlays of data placed in their spatial context, e.g. dairy farm vs. collection center location, road networks relative to grain bulking facilities, use of improved seed varieties before and after project technical assistance, etc. which capture complex, issues and decision-making. GIS specialists in Malawi produce maps and other interactive tools that provide a visual overview of INVC's activities, area of performance, and results. Year 1 activities involving GIS include working with MMPA's MBGs to map the locations of their members' farms, collection centers and road networks and to link this information into the MBG's farm records database to analyze the value of expanding their milk catchment areas.

TAMIS

All information related to the project such as: quarterly and annual reports, organizational capacity assessments, specially commissioned studies, meeting minutes, workshop proceedings, training curricula, survey results, forms, and other documents are archived and made accessible on a dedicated management and information system, TAMIS (Technical Assistance Management Information System). TAMIS is a DAI-proprietary system developed and refined in more than 100 DAI projects worldwide. Through the customized FtF-INVC TAMIS, individuals can obtain information related to three areas; program administration, workplan management and performance monitoring. The last of these modules will be linked to an M&E impact database yielding the most complete picture possible

about FtF-INVC's performance. All project staff members were trained in the use of TAMIS in Year 1 to facilitate the capture of significant information during the implementation of the project.

MONITORING & EVALUATION SYSTEMS

FtF-INVC believes in practicing adaptive project management. This means remaining continuously aware of how well partners are progressing with implementation of activities, if those activities are having the desired results and the degree to which the project is progressing towards meeting its objectives and goal. Having the capability to make those determinations depends on having well defined information on FtF-INVC activities available in a timely manner. This information is provided to FtF-INVC management by its M&E system.

FtF-INVC's M&E system is designed to capture and provide timely information to Project Management for assessment and decision-making, track progress in achieving Component objectives, and cumulatively measure project advancement towards its goal of '*sustainably reduce rural poverty and hunger through an agriculturally led economic growth strategy*'.

FtF-INVC's M&E system utilizes two tools in a single system: first, FtF-INVC is developing a database in Microsoft Access to capture changes in such key variables as production, income, employment and productivity among FtF-INVC beneficiaries (275,000 households and 100,000 children); second, DAI's TAMIS is designed for timely collation of M&E information.

Given the nature of FtF-INVC, data collection is a shared responsibility extending to local implementing partners, key value chain actors, business services providers, and other grantees. Where grantees are involved, timely data reporting is made central to their deliverables. Performance data is tracked and collected on a regular and on-going basis. FtF-INVC assists partners to apply methodologies and best practices vis-à-vis data collection, management and reporting; FtF-INVC regularly conducts data quality checks and provides assistance to assure quality data is being collected and reported quarterly. Data reporting is tied to reimbursements/disbursements to ensure that implementing partners pay attention to and place importance on the seriousness of data collection and reporting.

The FtF-INVC project staff has the responsibility for entering data into the central TAMIS and M&E system as part of their weekly activities. They also monitor and manage data reporting by implementing partners, given their on-the-ground, frontline implementation responsibilities. The specific indicators to be tracked and frequency of reporting have been communicated by FtF-INVC to the implementing partners. These are documented in the M&E manuals for each grantee which will be finalized early in FY2014. Project staff play a critical role in gathering narrative feedback and success stories from program participants to complement statistical data critical for management of the M&E system.

TASK 1: MONITOR AND REPORT ON ACTIVITIES

SUB-TASK 1: STRENGTHEN MONITORING AND REPORTING SYSTEM

Performance Monitoring and Evaluation Plan

The Performance Monitoring and Evaluation Plan (PMEP) forms the core of the M&E system. The PMEP reflects the FtF-INVC results framework and traces impact of the activities through measurable outputs and outcomes of project activities. It identifies process indicators for deliverables and key

activities for management and reporting purposes. Described simply, the PMEP defines the what, where, who, how, and when of data collection, analysis, and reporting.

Over the period from October through January of FY13, FtF-INVC revised, re-categorized, and updated several of the indicators in the Performance Indicator Tracking Table (PITT). In this updated version, some indicators were completely dropped whilst others were redefined, which explains why the Performance Indicator Reference Sheets (PIRS) were revised to align with the revised indicators. The PMEP was revised and submitted to USAID/Malawi in June 29, 2013, to align with the revised indicators and to be consistent with the FTF indicator handbook. The PMEP will be re-revised given additional comments received during the Mission-led DQA.

FtF-INVC will work closely with the third-party evaluator designated by USAID/Malawi to conduct the FtF-INVC impact assessment by contributing to the design and content of properly structured surveys and other instruments. Impact assessments of FtF-INVC will be through coordinated sessions with USAID.

Project Documents and Report Submission

FtF-INVC reports progress through comprehensive quarterly and annual reports to USAID. These reports present a review of progress to date; identify implementation challenges and/or delays; and outline priorities for the upcoming performance period. The FY13 Quarter 4 report will be published in October,2013, in addition to the FY13 annual report that same month. As discussed in the previous section, FtF-INVC stores all project documentation in TAMIS where it is accessible to USAID to review and retrieve.

Data Collection Tool Development

Upon approval of funding, grant recipients worked with the M&E Specialist to design their own M&E plans reflecting the indicators of the FtF and INVC Results Framework. As mentioned earlier, grant recipients are required to report on these indicators and their outputs as a component of their periodic progress reports. The FtF-INVC M&E Specialist, together with the Value Chain Specialists, monitor grantee progress through regular and spot site visits and data quality assurance reviews.

FtF-INVC M&E team has developed data collection tools with each partner that correspond to the activities outlined in their proposals and link directly to the overall performance indicators for the project. The data collection requirements are clearly specified in a customized M&E manual for each grantee. At present, M&E manuals have been completed for Pakachere, Nkhoma, and MMPA. CADECOM, FUM, and NASFAM are currently being finalized. By the start of FY2014, each grantee will have and be trained on the M&E manual for their organization ensuring that the data collection processes, methodology, data elements, and reporting requirements are clearly understood and implemented.

SUB-TASK 2: STRENGTHEN GRANTEE M&E SYSTEMS

Initial OCAT assessments and the FtF-INVC M&E team have identified Grantee M&E as an area where additional training and support is needed. Program Managers and M&E Coordinators assigned to each partner play an important role to ensure the partner is appropriately monitoring, measuring, and reporting their activities. In FY2014, Program Managers and M&E Coordinators will continue to work closely with each grantee and intervene when necessary with additional training and technical assistance. In FY2014, FtF-INVC will conduct field visits to determine whether partners effectively use USAID data quality assessment (DQA) to check the quality of their field data.

FtF-INVC will also solicit input from partners on success stories. In early FY2014, training will be provided on the documentation of success stories – to highlight creativity, originality, and innovation – of FtF-INVC activities. These success stories will be documented and shared with USAID as they arise and summarized quarterly.

Designing Performance Indicators for Tracking by Partners

In order to track progress of each partner, FtF-INVC has developed a dashboard, a tracking table of key indicators. This dashboard provides summary information from which FtF-INVC will closely monitor progress under each grant by assessing the level of achievement of the short-term output indicators and long-term outcomes.

Organizing the Training Workshop

The FtF-INVC M&E team will continue to organize training one-on-one workshops with the goal of explaining to partners the definitions of the indicators and the usage of the data collection tools. While these one-on-one meetings and workshops have been helpful, FtF-INVC plans on organizing a group training workshop early FY2014 (to prevent interruption of production preparatory activities in September) where partners will be re-oriented on the indicators for which they will collect data, units of data to be collected, and levels of disaggregation as explained in the revised PIRS approved by USAID. At the workshop, partners will be expected to understand the dashboard as a means of tracking output and outcome indicators.

SUB-TASK 3: ESTABLISH PROJECT BASELINE

FtF-INVC is conducting a baseline study which will provide data to form a benchmark for comparison purposes. Preparations for the baseline are at an advanced stage and many of the critical preparatory tasks have been finalized, including consultative meetings with partners, review of the questionnaire, and training of enumerators who will do data collection.

This baseline analysis is being conducted by consultants from International Food Policy and Research Institute (IFPRI) in partnership with Bunda College of Agriculture. The baseline survey will deliver data in late December and a draft final report will be delivered in January 2014. After the completion of the baseline analysis, the FtF-INVC M&E team will populate the PITT with the relevant data and share with partners no later than December 31, 2013.

SUB-TASK 4: DATA COLLECTION, REVIEW AND SUBMISSION TO VARIOUS USG EFFORTS

Feed the Future Monitoring System (FTFMS)

An important periodic activity is the continued reporting of data through the Feed the Future Monitoring System (FTFMS). FtF-INVC reports quarterly on the 36 FtF indicators, several of which have been customized to track specific points of interest to FtF-INVC. FtF-INVC will continue to lead the data entry effort to update FTFMS.

Table 3: Monitoring and Evaluation Workplan

Planned Activities	Objectively Verifiable Indicators	Means of Verification	FY 2014						Responsible Person	Assumptions	Risks
			Quarter 1			Q2	Q3	Q4			
			O	N	D						
Task 1: Monitor and Report on Activities											
Sub-Task1: Strengthen Monitoring and Reporting System											
Obtain final approval of PMEP from USAID/Malawi	PMEP approved	Confirmation of approval sent by USAID							COP	Project to submit final revision of the PMEP with updated PIRS and corrected language on baseline data collection and evaluation.	
Operationalize dashboard for M&E indicators	Outcome indicator dashboard developed	Outcome indicator dashboard in place							M&E Specialist	Dash board will provide proxy indicators for outcome indicators in the IPTT	Partner reporting requirements would be increased
Roll-out M&E tools/manuals and distribute to partners	M&E tools/manual rolled-out	Certified copies of M&E manuals and tools							M&E Specialist & M&E team	Availability of factual content to inform development of the tools and manuals	No risk
Roll-out relational database based M&E tools	Relational database rolled-out to partners	MIS relational database functional							Local M&E STTA and M&E team	The database will be updated at partner level and aggregated at FtF-INVC	This will need a back-up reporting system in case the database development takes longer
Develop Quality Improvement and Verification Checklist (QIVC) with partner organizations	QIVC for all value chains developed	QIVC tools							M&E team	M&E team will develop all the QIVC tools and its implementation in partner organizations	If this is not done quality of services being provided by FtF-INVC will not be checked`
Sub-Task 2: Strengthen Grantee M&E Systems											
Complete	24 Members	Training report							M&E team	Tools available for	No risk

Planned Activities	Objectively Verifiable Indicators	Means of Verification	FY 2014						Responsible Person	Assumptions	Risks
			Quarter 1			Q2	Q3	Q4			
			O	N	D						
orientation of partners in M&E tools/manuals and production of quarterly reports based on the FtF/INVC requirements	from partner organizations trained on M&E tools									use during M&E training	
Train partner staff on USAID DQA standards	24 Members from partner organizations trained on DQA tool	Training report on DQA							M&E team	Availability of trainers with requisite skills and knowledge on DQA	No risk
Conduct technical quarterly review meetings with M&E Officers and Program Managers in partner organizations	2 Technical working group meetings conducted with M&E and Managers	2 quarterly review meeting reports and recommendations produced							M&E team and all partners	Partners are funded and are implementing various interventions	No risk
Adapt USAID DQA manual and develop a manual for INVC partners and their farmer associations	1 DQA manual adapted and adopted	DQA adapted manual available							M&E Specialist and G/nut M&E Coordinator	Adapted DQA manual will improve data quality	No risk
Conduct quarterly DQAs in partner organizations	2 DQAs conducted within partner organizations	DQA reports with recommendations and action points							M&E Coordinators	DQA tools have been developed and partners that are applying that FtF INVC can review applications	No risk
Supervise roll-out of M&E tools in partner organizations	3 supervisory visits conducted to all partner organizations	Field supervisory reports							M&E Coordinators	To guide partners in the field on how they can complete the roll-out process	No risk
Conduct validation	90,000	Partner and							M&E team	FtF-INVC project to	No risk

Planned Activities	Objectively Verifiable Indicators	Means of Verification	FY 2014						Responsible Person	Assumptions	Risks
			Quarter 1			Q2	Q3	Q4			
			O	N	D						
of registered beneficiaries	households and 48,600 under-five children reached	INVC reports								reach one-third of its target	
Coordinate compilation of the quarterly report	4 Quarterly reports	4 Quarterly reports developed							M&E team	Availability of quarterly progress reports from the different components	No risk
Sub-Task 3: Establish Project Baseline											
Coordinate baseline survey with consultants	Baseline conducted in the zone influence	Baseline report available							M&E Specialist	DAI to execute subcontract with IFPRI to begin survey immediately	No benchmarks to measure progress of FtF-INVC project
Sub-Task 4: Data Collection, Review, and Submission											
Coordinate data collection for annual beneficiary survey	Data for outcome indicators collected	Annual beneficiary survey report							M&E Specialist	Beneficiary surveys will be coordinated by Technical Working Group of M&E team from INVC and partners	If not done, it will mean that there will be no data for management planning based on evidence from the field
Update IPTT with baseline figures	IPTT figures for baseline updated	Updated PIRS and IPTT							M&E Specialist	Availability of baseline figures	No risk
Update FTFMS/MRR	Data populated on the FTFMS/MRR	Report submitted							M&E Specialist	Availability of data	No risk
Update IPTT with performance results for Year 2	Performance results for Year 2 updated	Updated IPPT results for Year 2							M&E Coordinators	Results for Year 2 available	No risk

COMPONENT 1 – ADVANCING VALUE CHAIN COMPETITIVENESS

The FtF INVC team and its partners are making tactical adjustments to our 2014 Project Work Plan to improve the Malawian competitive environment of the soya, groundnut and dairy sectors based on lessons learned over the past 17 months. First, because it took longer than anticipated to get partners in place and working, our adjusted strategy bridges and significantly ramps up many of the competitiveness activities initiated since the launch of the project in 2012. Likewise, we have shifted some deliverables from these late activities forward to 2014, striving to make targets for the 2014 planning period both strategic and feasible, while continuing to move toward accomplishing overall project deliverables.

Other adjustments focus resources on *change levers* identified during the last year and a half, and described in more detail below, such as: including additional market access activities that complement those ongoing by technical service provider ACE; facilitating communications, collaboration and advocacy by production, processing and marketing associations to address market encumbrances and distortions; and intensifying the pressure at key points of the value chain – from farm-level transaction to end-markets – and with the institutions whose policies and regulations shape the enabling environment. These efforts are intended to shift value chain participant from a donor and government budget dependence -giveaway model to a more balanced public-private approach that will let markets determine and drive sustainable activities.

The strategic imperative for this planning period is to expand our promotion of demand-driven activities that scale private approaches, participation and investment. By continuing to drive paradigms and practices toward a more appropriate public-private balance, we hope to lower the need for public interventions, improve the competitive environment and assure systemic, sustainable results. This will be a difficult task during Malawi's first tri-partite election campaign, when public sector involvement in the production and marketing of food normally tends to increase sharply.

The four Component 1 Tasks from previous work plans have not changed – activities this period are organized to (1) increase market access; (2) increase value chain efficiencies and value addition; (3) increase access to credit and finance; and (4) foster a better business enabling environment. Strategic adjustments for this planning period are being made at the sub-task levels and are detailed below.

TASK 1: INCREASE ACCESS TO MARKETS

Enabling smallholder farmers to access additional markets with a more diversified offer – soy, groundnut and milk products – through different channels with more forward selling options remains the core work of **Component 1 Task 1**. The current Bridging Work Plan period (May-September 30, 2013) marked the expansion of Value Chain Competitiveness work through Technical Service Partner ACE to deepen the reach of safe and secure storage beyond Blantyre and Lilongwe to rural areas; successfully recruit more banks to finance warehouse receipts using staple food crops as collateral in

these rural stores; and to introduce and rapidly build a base of forward contracts in the Malawi market for raw material supply to leading food and feed processors in this 2013 marketing year.

FtF INVC market access activities in Year Two will continue efforts in the following strategic directions:

- Facilitate policy reforms and reduce market distortions by helping to prioritize and provide evidence-based positions and organizational support to value-chain wide organizations to collectively advocate for an improved business environment. Specifically build capacity and encourage collaboration between producer, processor and marketing/trade associations in industry development platforms (SOYAMA, GLT, and DIDP) and MCCCI as a strategic levers on policy formulation and promulgation, regulations and regulatory enforcement with MAFS, MOIT, and MBS to: reduce policy distortions; enhance policy improvements; and, ensure that regulations advance value chain competitiveness. INVC will continue its work started on the identification, quantification, and public discussion of losses imposed on soybean value chain participants when government makes poorly designed and timed public market interventions;

- Drive and scale competitiveness-building activities along entire value chains, especially into rural areas and with FtF INVC smallholder households. Training and sensitization by our partners in the benefits of using best bet technologies when planting and growing commodities, properly grading these commodities for sale, improved storage techniques and management, and marketing strategies, will better equip farmers to participate in the market place. In addition, training in structured trading systems including contracts -- both spot and forward—and the use and benefits of warehouse receipts and safe and secure storage, will enhance farmer organization capacity to participate more effectively.

- In the dairy value chain, FTF INVC grant assistance is being used by MMPA to increase the number of cows to be milked in ten (10) MBG catchment areas by bringing local Zebu cattle into the system in the short term, induce heat synchronization to favor successful artificial insemination of these cows to increase the number of lactating cows in FY2014 (resulting in cross bred calves in late FY 2014 and in FY2015), and improving animal nutrition to increase productivity and quality of milk. Improvement activities should increase cow productivity, improve farmer income through raw milk sales, and contribute to the logistic feasibility and financial viability for processors to increase milk collection in Central Region rather than travel to Southern Region for raw milk.

- We anticipate that there will be an increase in production in the legume value chains if rains are close to average, resulting in more products being available on the Malawi market. MOAFSs official third crop estimate indicates that FY2013 was a surplus production year across most crops, with only cotton production declining. If 2014 output increases supply further, the added production will place downward pressure on prices. Downward pressure will need to be compensated by either rapid increases in productivity (unlikely) or increased market demand in order to maintain profitability at the producer level. It is crucial that access to markets outside Malawi be established to sustain market demand and prices. FTF INVC has reached out to the Zimbabwe export market, helped to promote forward contracts as a procurement vehicle for food and feed processors, assisted the expansion of ACEs trading platform, helped to obtain the involvement of more banks to finance commodities deposited against warehouse receipt system, and is continuing to support the opening up the market to regional traders to expand competition for supply.

- Mentor the Agriculture Commodity Exchange for Africa (ACE) to help members of the industry development platforms (SOYAM, GLT, DIDP) to improve their service offerings to members and

use the exchange for brokering and trading operations to improve the standards and contracts used in trade, the supply of price and trading opportunity information, and the procurement of services, e.g. transport and storage to improve the cash flows and returns to Malawian farmers, traders, and processors.

SUB-TASK 1: CONDUCT UPGRADING STRATEGIES, COMPETITIVENESS/MARKET ANALYSES, AND DEMAND ASSESSMENTS

Upgrading strategies for each target value chains, based on soy, milk and groundnut balance sheets completed in February 2013, continues to inform the work planned for the FtF INVC Team and our Partners for 2014. (See the summary outlook statements below) Our strategic imperative for this planning period is to work with all stakeholders along our three targeted value chains to broaden and deepen our understanding of value chain dynamics; capture more specific quantitative data at critical points in each chains (e.g. production data; trade data; pricing; etc.); and selectively conduct targeted data collection, analysis and assessments to fill current gaps in our understanding of the flows (products; information; money) and constraints that currently restrict those flows.

Demand Assessments

Several assessment activities are included in the 2014 Work Plan. BDS partners will help Implementing Partners to assess the demand for soy products, history, market fit, and business model for the introduction of village soy processing machinery. Information from the Care Group Model implementation will help INVC and partners to compare the costs and benefits of this equipment with alternative household techniques. These studies will investigate the growth of soy product processing and microenterprise formation to determine if there is market potential for lending to micro--enterprises in Years 2 & 3 through VSLs or links to microfinance institutions.

INVCs grain legume partners working with groundnuts will access BDS providers to do business plans for the introduction of marketing association level mechanical oil presses (also useable for sunflower, sesame, soy); and conduct a feasibility study on upgrading of the NASFAM groundnut oil extraction plants with regional export option. Early in 2014, results from the current food fortification value chain study will be available to inform INVC assistance to the development and distribution of base-of-the-pyramid products.

Implementing partners working on groundnuts will draw on BDS suppliers to do cost-benefit analysis at the smallholders, vendors, processors, and exporter level of in-shell groundnut buying program with top of supply chain actors in small-holder aggregation. If findings are positive, promotion of these approaches will begin in the second half of the production season

MMPA will do a feasibility assessment with test marketing of groundnut haulm (dried plant) with low compression (box) or high compression (machine) baling for cattle feed. Once results point to positive, MMPA will look to scale this across its members through the ten MBGs.

Summary of Value Chain Outlooks:

Soy: MoAFS estimates that over 95% of soy bean production is from smallholder farmers; soy bean demand continues to increase primarily driven by the expanding demand nationally and regionally for poultry meat and eggs, but also because of direct human consumption (extruded soy pieces, flour, and oil); there is potential to improve the lives of smallholder farmers by improving the soybean value chain. Demand remains strong from the poultry industry, the national processors of corn-soy blend and soy pieces industries directly, and from the WFP/P4P programs. There is also a potentially lucrative export opportunity to Zimbabwe, but capturing this market depends upon reducing transport

costs, and meeting regional level quality standards. Malawi's key current advantage on regional soybean markets is its production of only non-GMO varieties and proximity to landlocked markets. On national markets, soybeans are increasingly sought to meet demand for poultry feed, corn-soy blend, soy pieces, and vegetable oil. Against these important advantages are offsetting disadvantages: uncertain seed supply in quantity and quality terms; low availability of rhizobium inoculants and uncertainty about the quality of nationally-produced inoculant; poor production, utilization, and stock data (lack of a quarterly soybean balance sheet) to guide producer, marketer, and end-user strategy and government policy; poor knowledge and use of soybean grades and standards in selling, buying, and trading; unpredictable and poorly-timed intervention by public policymakers and regulators in soybean seed and grain markets; weak value chain organization; and, a badly lagging process for the gazetting of standards for fortified food products.

The 3rd and final MoAFS crop forecast indicates that Malawi should produce about 117,000 tons of soya beans this year. However, the marketing picture for soybeans is far from clear. The agricultural marketing season in FY 2013 started late because of late rains and the tight supply of loan capital because the Government sponged up large amounts of liquidity, delaying the financing of traders. In addition, market prices were disrupted by the high-priced market offers made by the Presidential Initiative on Poverty and the Reduction of Hunger, which had too little money behind it to buy much volume. Producers held onto stocks hoping that PIPaRH would find more cash. In August, the main industrial processors of corn-soy blend (CSB) are seeking quotes for imported soy flour, primarily because they can import GMO-derived soy flour at prices that are lower than flour from milled local soybeans, but also because the quality of imported soy flour better meets the technical specifications of the main buyers of CSB. The Zimbabwe market requires non-GMO soy flour for its CSB, providing a good speculative opportunity to trade the higher cost Malawi soybeans, flour, or CSB with Zimbabwe and to import soy flour to keep CSB within the local value-added procurement preferences and the procurement pricing guidelines of major donors.

Dairy: Good dairy production estimates are still very difficult to make. This is because estimations are built up from rough average projections of milk output from the extensive herd of Zebus and crossbreeds with some adjustments from the records of the collections by dairy processors from MBGs. MBG records reflect only their sales to processors, not individual cow milk production that is sold to local vendors as raw milk and consumed at the household level. The dairy processing industry is strongest in Southern Region, where milk deliveries to processors continue to climb as milk purchase prices increase. Central Region Dairy processors are vertically integrated (Katete, Central Poultry, etc), or seek to vertically integrate and source from the Southern Region (Lilongwe Dairy). From January 2013-June 2013 dairy deliveries from MBGs to processors in Central Region declined, probably because the prices paid by vendors for raw milk was substantially higher than that from processors. The one remaining Northern Region dairy processor (Mpoto) is struggling to maintain operations. The devaluation of the Malawi Kwacha against hard currencies was rapid from May of 2012 and through May of 2013, leading the larger Malawi dairy processors dependent on foreign exchange for energy, packaging, and other inputs to shift more product into export channels. This trend has continued since the stabilization of the MK in mid-2013.

Malawi has restarted the process of review and revision of the Dairy Act and the Milk Products Act that have been dormant since 2006. DAHLD presented a rough draft compilation of existing law and some revisions to a stakeholder meeting in late 2012. Additional meetings and discussions have been held at the Dairy Industry Development Platform initiated with FTF INVC help with CISANET serving as secretariat. We will continue to work with the DIDP to bring the full range of dairy stakeholders together to address policy, industry coordination, cattle feed, and financing issues. The Malawi Milk Producers Association has moved with our help to increase the flow of milk to MBGs by focusing on bringing a larger number of Zebu and cross-bred cows into their supply chains, with

breeding, feeding, and basic veterinary care to improve their productivity over FY 2014. MMPA is also working with us to develop a herd book, improve the quality of produced milk to attempt to capture quality premiums, and to improve AI services to MBG members and the broader livestock industry. The catchment area expansion is needed to improve the cash flow and viability of the MBGs that is linked to volume. That volume, in turn is required to make it feasible for Lilongwe Dairies and MDI to pick up milk from the MBGs in Central Region, rather than make the 12 hour round-trip to pick up milk from the Southern Region.

The announcement in late November 2012 of a special Presidential Initiative of "One Household-One Cow" was followed by announcements of additional dairy cow donations around the country and donor projects to re-equip milk bulking groups in Central Region and add processing capacity at one MBG.

Groundnuts: The groundnut outlook depends on a number of factors, chief among which from a smallholder perspective is the relative profitability of groundnuts compared to other competing crops. There is scope for increasing productivity by 51% by just improving management practices - without increasing cash input use (Simtowe et al. 2009). INVC is focused on seed system, production management training and extension, and improved harvesting and postharvest curing and drying practices to that end. The second part of our activities focus on the improvement of groundnut quality to add value through training and extension on applying good grades and standards to postharvest handling and marketing and to educate and mitigate the risk of aflatoxin contamination. We are working through our partners to promote and support proper drying, in-shell aggregation and marketing, hand-powered or motorized mechanical shelling versus wetting and hand shelling, mechanical grading and shelling before processing, and oil extraction and byproduct utilization.

Groundnuts are re-emerging as an export crop because of regional demand in South Africa, DRC,and in SADC member states. However, greater enforcement of aflatoxin standards through intensified sampling and testing by importing nations is a threat to Malawi's share in that growth.

MBS (Malawi Bureau of Standards) maintains an aflatoxin maximum allowable level that aligns with the Codex Alimentarius. Export markets and in-country groundnut product users such as WFP and UNICEF, follow European Food Safety Agency (EFSA) requirements which are nearly three times more stringent. MBS has the equipment HPLC and materials needed to test for aflatoxins, but sampling of groundnuts at the raw material level is particularly difficult and would be prohibitively expensive to do on the bulk of smallholder production that is retained by households. HPLC equipment is also available at Chancellor College and the Chitedze Research Station, but these are primarily dedicated to teaching and research. At least two processors have HPLC equipment for their own process control, but most processors and exporters depend upon quick ELISA tests that are semi-quantitative, or they use external laboratories for analysis. While this is an improvement on the laboratory and testing status of the country compared to a decade ago, the Malawi government does not yet have a capacity to consistently sample or test alfatoxins in groundnuts or groundnut products. The future of Malawi's exports to the EU and the qualification of groundnuts as collateral for warehouse receipts depends upon systemic and consistent reduction of aflatoxin levels throughout the value chain. This effort will be a long-term and gradual process that has to be addressed with human, scientific, technological, and financial resources far greater than a single, small country can mobilize. Opportunities for investment in the sector still exist in (i) wholesaling, grading, and quality testing for export markets; (ii) peanut butter production for local and regional markets; and (iii) oil extraction for domestic and international markets, but managing aflatoxin levels will be a constant struggle, requiring the intensive top-grading of the groundnuts to meet client standards.

With current final crop estimates showing production to be at approximately 381 000 metric tons it is important to find alternative markets in order to ensure that price incentives to maintain production levels do not fall. However, recurring levels aflatoxin in groundnuts that exceed maximum allowable levels (MALs) is likely to have an increasing negative impact on the competitiveness of this value chain, particularly insofar as access to the more lucrative regional and international markets are concerned due to the more stringent requirements in force, backed up by the ability to test consignments on a regular basis. Only a small proportion of groundnuts from Malawi are likely to meet the criteria, leaving the much less lucrative informal market, both locally and regionally, as the main alternative for producers.

While aflatoxin risks can be mitigated against during production, post-harvest handling and storage, mitigation requires the imposition of stringent Good Agricultural Practices (GAP) for production and HACCP (Hazard Analysis and Critical Control Points) processes from harvest through final product marketing. At this time, only the highest value products (e.g. RUTF, RUSF) and confectionary nuts can bear these types of costs. Further, the inspection intensity required to meet the EU aflatoxin standards imposed by international organizations results high percentages of rejected nuts with high aflatoxin risk levels being returned to the domestic marketplace.

Experimental procedures to reduce aflatoxin infection in the field (where almost all infection starts), such as the spreading of non-toxigenic races of aspergillus mold to outcompete the toxin generating races (USDA's Afla-Safe), are being tested with smallholders next door in Zambia as an advanced R&D effort, but is not yet available for commercial release. Even if Afla-Safe reaches commercial scale in Zambia, the current agricultural technology certification requirements in Malawian law would require 3 or more years of testing before commercial release here. INVC will end long before the R&D needed for scaling and commercialization is completed.

These considerations mean that private firms, social enterprises, the more experienced agricultural NGOs, and donors are backwards integrating the supply chain to include estate production \(seeds and a basic stock of raw material) that will be combined with selected contract outgrowers and associations to produce the groundnut raw material to required specifications. However, experience in temperate production zones, where aspergillus mold pressure is marginally lower and where groundnut-free periods are respected in crop rotations (a decades old extension recommendation in Malawi that is not and probably cannot be followed by smallholders here), suggests that even with tight GAP and HACCP procedures, most of the groundnut crop produced on contract for high value products will need to be sent for oil crushing. Regional markets in Mozambique, Tanzania, and the DRC will remain important final market destinations for whole unshelled or shelled groundnuts.

INVC will continue to support training and extension on aflatoxin risk mitigation by smallholders and throughout the value chain as the current best ethical option in the outreach activities of FTF and its partners. From a system-wide competitiveness perspective, INVC will seek to identify and support investment in groundnut oil extraction which is the best near-term use of lots that exceed aflatoxin MALs (maximum allowable limits). Oil is not free of aflatoxin risk, either, but risk is reduced.

SUB-TASK 2: SUPPORT INDUSTRY PARTICIPANTS IN MARKET DEVELOPMENT AND MARKETING

FTF INVC seeks to strengthen market development and marketing at key leverage points in its three value chains, helping to improve the quantity, quality, and value of legumes and milk that is aggregated and held in value-preserving storage to strengthen smallholder value capture to reduce the costs and risks of marketing. We mentor grantees in the development of this deepening of market infrastructure, application of grades and standards, financing and insurance arrangements, marketing information, and new forms of contracts. In FY 2014 we also mentor our implementing partners

through technical and business service providers in the migration of their marketing associations towards marketing organizations who can directly access expanded and new marketing instruments including warehouse receipts, direct trading platforms, forward contracts with processors, and export contracts. Information about these new products offered through ACE will be widely disseminated through multiple media.

For example, INVC is working with NASFAM to examine a step-wise transformation of 6 Agricultural Marketing Committees into agricultural service centers by partnering with agrodealers. MMPA is recentering its activities to focus services on building a much larger base of milk flow through a rapid integration of cows ignored by previous MBG development efforts. Our largest and most central effort in market development and marketing, the Agriculture Commodity Exchange for Africa (ACE) will expand its efforts to attract more partners and increase the number of smallholder farmers, traders, brokers and businesses using the exchange, forward contracting and the warehouse receipt system (WRS). Additionally, the FtF INVC Team will work with other organizations – SOYAMA; The Grain Legume Trust; etc. – to complement and scale ACE's efforts to expand the marketing reach of Malawian farmers. Whilst MMPA is directly involved in the dairy industry, most dairy farmers grow legumes and maize and this presents an opportunity for these commodities to be traded through ACE to improve cash flow and margins. Additionally, these same dairy farmers producing legumes have been advised to link up with either NASFAM or FUM to become members there to benefit from agricultural services delivered through the NASFAM/FUM structures. Depending on the success of baling trials, groundnut and soya bean hay from a broader set of farmers may also be traded across ACE for winter feed.

Agriculture Commodity Exchange for Africa (ACE)

Since finalizing ACE's grant agreement in 1st December, 2012 competitiveness activities were launched along three strategic axis: 1) developing a Warehouse Receipt System (WRS) with the ancillary infrastructure required for WRS to function (storage; finance; exchange functions; exchange partners; etc.); 2) trade facilitation activities including development of a rural agent network, promoting trade events and providing trade facilitation training; and 3) expanding the availability of market, and specifically pricing, information.

ACE will continue these activities over the next year and look to consolidate the work already done to grow rural collection and storage systems and begin organizing regional storage networks; upgrade WRS software; introduce brokerage services to traders and other partners; initiate advance payment systems to include WRS; and expand Market Information Point (MIP) activities and reach. At the same time, ACE will not turn away any opportunity to expand their current network and will be working very closely with NASFAM and FUM in this area. It is intended that the MIP network be extended to a minimum of 7 in total, with the possibility that this might increase to 10 based on assessments of the size of the catchment areas in which they are to be based.

Projected targets to be achieved by ACE in conjunction with other FtF-INVC partners include training an additional 10 000 farmers in ACE services, warehouse receipt system, trade facilitation and market information systems with the assistance of the FtF INVC implementing partners. As part of the process, ACE will identify additional NASFAM collection points as a bridge between the rural farmers and the certified storage sites from which warehouse receipts can be issued. This will afford increased opportunities to communities in more remote areas to participate in the warehouse receipt program.

Warehouse Receipt System (WRS) Activities

ACE will continue to expand certified rural collection points, enabling farmers to deposit their commodities at these depots located closer to farming communities. Commodities can then be transferred to larger safe and secure storage facilities from which warehouse receipts can be issued, should the depositor request this service. Additional rural warehouses will be assessed to ensure that they adhere to the minimum standards for the storage of grains against which warehouse receipts can be issued. In parallel, efforts will facilitate transportation of commodities from producers to ACE certified warehouses and aggregation facilities. FtF INVC will assist ACE in further discussions with the Road Transporters Association (RTOA) to encourage them to offer transport across the Exchange floor, against which bids can be made. Additionally, the work on the load information system will be assessed to determine whether or not it is feasible to continue with this exercise and, if so, how best to progress it.

ACE has commissioned an investment plan (supported by SATH) which is in the final stages of preparations and this will, together with the business plan supported by FtF-INVC, chart the way forward for ACE for the foreseeable future. Part of the investment plan will focus on rural storage and the potential for investment in this area whilst at the same time more clearly defining exactly what role ACE will play.

It is anticipated that this service will increase the use of warehouse receipts significantly while ensuring that increased volumes of grain are maintained in safe and secure storage facilities, resulting in fewer post-harvest losses. ACE will continue to collaborate with FtF INVC implementing partners NASFAM, CADECOM, and FUM to integrate WRS familiarization and training in their work with, associations, lead farmers and smallholders. Training will include collective marketing, bulking, aggregation; governance for farmer associations; post-harvest handling and storage; and grading and quality standards.

While these plans are robust and have great potential, it needs to be recognized that there are impediments to the successful implementation of the warehouse receipt program including diminished liquidity in the banks due to government issuing attractive financial instruments which the banks are subscribing to, as well as an environment which does not yet allow innovations such as warehouse receipts to operate to its full potential. This “squeeze” on banks has significantly delayed funds being made available for the warehouse receipt system, which has compromised both ACE and those wishing to use the system. This will be addressed in the first quarter of the work plan through meetings with banks, including the reserve bank in respect of the Export Development Fund and NFRA purchases, partners, donors and government representatives to get commitment to funding being made available much earlier in the marketing season in an attempt to be able to participate in the market in the south of Malawi, which traditionally harvests commodities much earlier.

ACE intends to consolidate and improve standards and operations at the facilities registered in FY2013. ACE met its commitments in respect to increasing the number of storage facilities as well as the overall capacity. Opportunity to further increase total storage capacity will not be ignored. Where necessary, FtF-INVC Project staff will form part of the assessment team in order to understand more fully the requirements and minimum standards needed for a facility to be registered by ACE as being suitable for public storage and the issuing of warehouse receipts. FtF INVC, in conjunction with ACE and implementing partners, will also promote a set of minimum storage and operating standards which will need to be met if the warehouse receipt program is to maintain its integrity. To this end, trainings will be held at Village Aggregation Centers (VAC) or Grain Bulking Centers (GBC) on contracts, forward contracts, selling procedures and grades and standards, enhancing their capacity to use forward contracts and WRS and to improve their understanding of agricultural markets. These will be jointly conducted by ACE and the implementing partners. NASFAM is also in the process of

strengthening existing market action committees through training in local processing and encouraging the use of bulk buying and selling centers and it is intended that these be linked to ACE and other exchanges where practicable to do so.

Pests in ACE certified storage facilities represent one of the biggest challenges for storage operators. Pest control activities this next year will include: facility cleaning and maintenance; pest prevention versus pest control; daily pest surveillance; pest identification; fumigation (only as necessary and appropriate); and integrated pest management. Local agriculture extension workers will be engaged to help identify pests and suggest the right way to control them. FtF-INVC will address pest management this planning period by training farmers through partner organizations in environment and pest management as well as a series of briefing sessions on the relationship between pest management and warehousing. FtF INVC will assist ACE and implementing partners to promote the Simplified Storage Guide for use in smaller storage operations including on farm storage facilities. This guide will include details on post-harvest handling, basic storage requirements, store management and pest management and is broken down further into topics under these broad headings. Arrangements will be made with DAES to have this manual translated into Chichewa for easier use by small holder farmers.

As part of this year's competitiveness building strategy, ACE will expand its WRS sensitivity training to a broader audience to include trading partners and processors, conducing training coincidental with farmer groups where possible. It will emphasize the benefits of warehouse receipts as a tool to ensure delivery of raw material over critical periods for processors, while also highlighting the benefits to traders of holding stock on warehouse receipts in order to help meet these demands. Large commercial grain dealers and manufactures will be further encouraged to place bids to buy through ACE, using warehouse receipts, both in the spot and forward markets (prior contract arrangement on purchase of the commodities) in order to embrace those potential buyers who whilst expressing interest have not yet participated. These include Carlsberg Breweries, MALDECO Fisheries, South African Breweries, Ori Pork and Chibuku.

Preliminary regional transportation and storage development activities have been added to the 2014 Work Plan. ACE believes it may be premature to start regional warehousing at the current stage of development but that it is time for regional partners to be identified and regional warehousing and transportation operations planned. As part of this expansion program a trip was made to Harare at the end of August and the FtF INVC team and ACE will follow up on meetings held during this trip to further cement understandings reached during the first quarter of this work plan and commence rolling out the programs agreed.

It is crucial in the year ahead for the WRS to attract significantly more financing. Continued progress is being made with FMB, OIBM, MSB, NED Bank and Standard Bank. More financial institutions will be encouraged to enter into partnerships; those already participating will be encouraged to expand their portfolios to provide additional financing to cater for more farmers and to increase the volumes on warehouse receipts. ACE, supported by the FtF INVC Team, will continue to facilitate bank participation in the WRS through high level meetings, finance workshops, and further development of financing options through ACE such as 70% Receipt financing, forward contract financing, NFRA advance facility and the traders bridging finance facility. These activities will culminate in a workshop at which it is intended that banks, donors, government ministries and the private sector attend. It is intended that this be held at the culmination of the work described above and that it be held prior to the commencement of next year's marketing season at the latest.

While the focus to date within the ACE farmer support systems has been on maize as the primary product on WRS, FtF-INVC continues to work with ACE and other competitiveness partners to

expand into other commodities such as soy beans as a targeted crop. It is however unlikely that groundnut will become part of the WRS, because of the prevalence of aflatoxin in the crop, although efforts to have groundnuts stored in shell will continue. FtF-INVC will, with its partners, continue to investigate the possibility of crushing the nuts for oil, which if done correctly can significantly reduce the level of aflatoxin. If successful, FtF-INVC will pursue opportunities to sell this oil, not only in the local market, but into niche markets in the region as well. While it is unlikely that these crushing activities will be commenced in the immediate future, efforts will nevertheless be made to identify suitable equipment for this purpose.

FtF-INVC will continue to be represented on the Oil Seed Technical Working Group (TWG) by the soy bean and groundnut value chain coordinators, as well as at other relevant meetings, particularly those where FtF-INVC partners are involved, to provide and receive input on new developments. These forums provide an opportunity to increase collaboration among the players that should better enable them to share information on a day to day basis. Farmer associations are an important part of this effort and their attendance will enhance opportunities for farmers to work as a group where there are additional benefits to be derived from doing so rather than operating as individual farmers.

With the new initiative to have soy beans placed on warehouse receipts this season, FtF-INVC will raise awareness amongst farmers and and the GoM in regards to the costs of lost opportunities as a result of export bans of legumes and how this negatively impacts growth in the sector.

Expansion of Trade Linkages

ACE's new strategic trade expansion thrust this planning period will be to expand trading to include brokerage services. Individuals with potential will be identified from rural trade agents, farmers associations, implementing partners, small and medium sized traders and active members of ACE and receive training in providing broking services. They will acts as an agent for others whether buyers or sellers, in negotiating contracts, purchases, or sales in return for a fee or commission. Some of the small traders who have purchased goods from smallholder farmers and traded through ACE using warehouse receipts show potential in this area, although they are of the view that there is not sufficient business to sustain them if they relied on revenues from brokering services alone. However, it is believed that a combination of brokering and trading practices, in the initial stages at least, may well be possible and it is this idea that will be pursued during the upcoming period. It is also felt that some of the farmers associations may well be able to gain direct market entry by providing brokering services to further enhance their marketing opportunities whilst helping to build their capacity.

Brokering is an unheard of activity in Malawi except to a very limited extent in the tobacco and cotton sectors. ACE intends to promote broking as a quality service and a paying job, whereby brokers can get a commission from linking farmers and traders to high-value markets. Rural trade agents have already started to link suppliers with markets in the cities. They need encouragement and training to do this in a systematic way.

ACE will identify and work with 30 candidates to provide brokerage orientation training demonstrating the benefits of adding brokerage services to their trade facilitation bundle of services. Before being licensed by ACE all candidates will need to pass a competency test with recertification every two years. It is essential that only those with the right credentials and attributes be considered and approved to protect the integrity of the Exchange. In order to ensure that these brokers operate in the manner required, they will be governed by the ACE Regulations, which clearly states their duties and responsibilities to their clients and the Exchange as well as describing offences and consequences for being in breach of the rules, including the procedures to be followed where a breech is suspected either by the broker or his client. Provision also exists for a single broker to represent both the buyer

and the seller and stipulates the actions a broker needs to carry out in these circumstances to ensure transparency.

The FtF-INVC Team and ACE are in the process of identifying farmers groups, milk bulking groups (MBGs) who grow soya beans and groundnuts in many cases in addition to their activities in dairy but have limited access to markets, agro-dealers and small traders that are more pro-active than their counterparts in all their operations, as it is here that initial efforts will be concentrated. In addition to these efforts, approaches will be made to partners such as Farmers Union of Malawi (FUM), National Smallholder Farmers Association of Malawi (NASFAM) and Catholic Development Commission of Malawi (CADECOM) to explore the possibility of whether these organizations can commence brokering services on behalf of their members. There are specific challenges for each of these partners that the FtF-INVC project could help address.

For example, NASFAM needs to borrow large sums of money in order to operate the NASCOMEX division of the organization. In part at least, this need to borrow could be alleviated if NASFAM were to start a brokering section within the division, with the objective of linking buyers and sellers and ensuring that these transactions were finalized and deriving revenues from charging pre-agreed commissions on each deal. Additionally, some of the larger organizations that are active on the exchange such as RAB Processors and Farmers World will be approached to establish similar procedures. The business plan commissioned by ACE and funded by FtF INVC includes an analysis on the need for broking services and will help to map the way forward for ACE in conjunction with the investment plan.

Over the next year ACE will develop a payment facility linked with WRS that meets the requirements of smaller depositors more effectively. Lessons learn from NFRA procurement is that immediate payment is crucial and ACE cannot rely on payments from NFRA being made early enough to reimburse funds on loan to ACE from the bank. Maize traders have made it clear that they would rather sell for cash to traders at 3 to 5 MWK less per kg if they get immediate payment. The advance facility should be extended to finance WFP procurement, unless arrangements can be made to have them pay within twenty-four hours of delivery. Whilst ACE has accepted liability for the financing provided for the warehouse receipt program, discussions have already commenced with the banks to move away from this, sooner rather than later.

In FY2014, ACE will look to ensure that it is again included in the replenishment of the Malawi Strategic Grain Reserve (SGR). ACE will prepare a factsheet on its NFRA/SGR experience to share with donors to gain their confidence for the next round. It was chosen last year as one of the modalities for the procurement of maize for the SGR. ACE's contribution to the replenishment accounts for a significant percentage of the total procurement. ACE has learned to work with NFRA and has identified important challenges to be addressed in future procurement for NFRA. ACE will also develop an operational manual for the ACE/NFRA relationship in order to help overcome many of the “teething” troubles that were experienced. This will be done in conjunction with the NFRA and technical support from FtF- INVC with the intention of getting written agreements and full understanding between ACE and the NFRA in respect of the methodologies to be used, including speedy payment on deliveries.

ACE Market and Price Information Dissemination

The FtF-INVC Team and ACE will expand activities this next year to more effectively disseminate timely and accurate market information to a wider audience because the importance of relevant real-time market information cannot be overemphasized. To this end, ACE has developed its own database and SMS gateway more timely market information to its beneficiaries. Whilst this is much less

expensive than the systems used to date (ESOKO) there will still be a requirement to fund this whilst they build the system to the point where users will pay for the information because of its value. Again ACE has been innovative in this area through the *Inform A Farmer* initiative. They have obtained sponsorship from organizations and individuals to sponsor farmers to receive weekly information.

ACE will expand Market Information Point (MIP) activities and reach this next year, facilitating farmer engagement with rural trade agents and warehouse operators at the MIPs. In addition, it will begin to develop a broader, more comprehensive package of services at MIP locations -- banking services, input providers, and so on.

ACE will continue to build its profiled beneficiaries database and get pricing information inserted into newspapers. In addition, it will identify and target potential funding or sponsors that will finance weekly price information text messages to ACE their beneficiaries. ACE has developed its own database and SMS gateway to facilitate market information dissemination; it is paramount to identify the funding necessary to start sending price information text messages en masse.

SUB-TASK 3: STRENGTHEN PRODUCER, PROCESSOR AND VALUE CHAIN BASED TRADE ASSOCIATIONS

The association-building strategic imperative for the 2014 planning period is to work with partners to outsource services rather than build duplicative internal capacity. It is critical to build core capabilities; it is equally important to outsource work better done by technical and business partners with a much higher benefit to cost relationship.

In the previous quarters capacity building needs and points of focus were identified among the partners. Through individual meetings with the implementing partners, areas for capacity improvement, such as administrative techniques, were identified and addressed. Technical and capacity building meetings, seminars, and workshops were conducted at CADECOM, FUM, and NASFAM to align operational priorities with strategic objectives.

Our work with associations and organizations along all three value chains to structure industry platforms to address policy, regulatory, and technical issues that constrain productivity improvements has resulted in the formation of two industry-led platforms (SOYAMA and DIDP) that work with CISANET to improve prioritization of their policy agenda and member-oriented services.

Government dominance of the upstream groundnut value chain associations through the GLT (Grain Legume Trust) has slowed the more complicated task of building a value chain partnership that links in processors and marketers faced with the triple challenges of highly fragmented, low productivity supply channels; a dualistic rural-urban divide in domestic markets for groundnut products in Malawi; and the greater intensity of application of tougher food safety standards on aflatoxin levels in the higher-value segments (RSA, WFP and donor feeding programs, and extra-regional high-value markets) by regulatory authorities in the RSA and EU. For any commodity organization to work effectively, its agenda must be built from issues whose resolution will lead to the solution of business problems in a time frame that positively affects costs or revenues.

During FY2014, Tradeline and Umodzi will strengthen farmer associations in leadership, business planning and management. These business services providers – on an outsourcing basis – will work with FtF INVC partner organizations and associations to develop realistic and comprehensive business plans for the dairy, soy bean and groundnut value chains for farmer groups, milk bulking groups, para-vets and artificial insemination (AI) technicians among others. During the same period, in collaboration with Civil Society Agriculture Network (CISANET), FtF-INVC will look to set in motion systems and processes to help strengthen existing organizations to make them more effective

and sustainable. FTF-INVC will work with our partners to identify agro-dealers in respective operational areas that will then be sensitized and empowered by the project through training initiatives conducted by partners in conjunction with Tradeline and Umodzi.

CISANET will also assist FtF-INVC partner associations to increase their capacity to become a better voice for smallholder farmers through capacity building in advocacy. To this end, CISANET will also be advised to partner with MAPS/USAID to ensure that advocacy issues are raised to policy reform level. Advocacy will be further strengthened through the training of 837 farmer leaders this next year. FtF-INVC will establish and support linkages between financial institutions and identified agro dealers, who will be assessed and, if suitable, linked to farmer associations through implementing partners so that farmer associations can access financial assistance where needed.

To further achieve these objectives of strengthening producers, processors and value chain based trade associations, sensitization of partners on quality control and training of farmers on aflatoxin management, minimum storage and management standards will be conducted. Additional sensitization on post-harvest handling, grading and quality standards will be implemented. Joint training of smallholder farmers in moisture testing and grain and nut conditioning for sale will be undertaken with partners guided by FtF-INVC. It is intended that all training activities will focus on practical work rather than theoretical examples to ensure that participants obtain hands-on guidance and new skills that they can use to increase their productivity.

Mobilizing zebu farmers to join Milk Buying Groups (MBGs) will expand MBG membership. All zebu farmers and animals located within a 10 to 20 km radius of MBGs will be identified as potential MBG members. These new 'provisional' group members will receive training, be linked to mentor farmers for individual support, and visit lead farmer demonstration units to educate and prepare them to intensify their dairy production system as part of the INVC zebu "upgrading" effort. 1000 zebu cows and heifers will be identified to participate in the cross breeding program. 300 zebu cow farmers will be registered as new MBG members. Geo-referencing of 625 farmers will be done to ensure effective service delivery.

SUB-TASK 4: STRENGTHENING THE NATIONAL DAIRY INDUSTRY THROUGH A UNIFIED PLATFORM

The primary focus of activities this period is to scale the capacity and activities of the Dairy Industry Development Platform (DIDP) launched last planning period and currently hosted by CISANET. Through FtF-INVC facilitation and collaboration with our dairy implementing partner, the Malawi Milk Producers Association (MMPA), dairy sector representatives agreed to form a dairy industry unified platform called the Dairy Industry Development Platform (DIDP). CISANET, which has been working on policy advocacy issues related to the livestock and dairy sectors, was chosen to temporarily act as secretariat to the platform in order to ensure that the process runs as smoothly as possible.

FtF-INVC will continue to support CISANET to mobilize active participation of the value chain stakeholders in DIDP and facilitate the registration of this platform. Through the platform, stakeholders will identify industry challenges to address that will in turn improve value chain efficiency and competitiveness and also enhance their understanding of the functionality of other segments of the chain. The platform will also provide an arena where development projects can be conceived and partnerships forged. The established platform will facilitate formulation of a private sector lead industry development strategy. FtF-INVC will continue to convey this message to CISANET.

SUB-TASK 5: ENHANCE CAPACITY TO COMPLY WITH STANDARDS, QUALITY CONTROL AND FOOD SAFETY PROCEDURES

Standards Information at Marketing Information Points

FtF-INVC established marketing information points (MIPS) in FY 2013. The MIPS provide market information and access to ACE, complemented with information on trading grades and standards, technical approaches to meeting the grades and standards, and guides to help producers, aggregators, and marketer to meet quality and food safety standards. FtF-INVC helps partners to identify and test materials that fit -- or can be adapted to fit – Malawi conditions.

Aflatoxins

The important trade and food safety constraint of aflatoxin contamination led INVC to develop, test, produce and disseminate learning materials such as training manuals, brochures, leaflets and flyers in both English and Chichewa on groundnut harvesting and post-harvest management. In FY 2012, the project will continue its work to sensitize partners on quality control, aflatoxin management, minimum storage requirements, storage management standards, and post-harvest handling, grading and quality standards. The Malawi Bureau of Standards will be consulted on the issues of aflatoxin, particularly regarding the code of conduct they recently reviewed. We will help partners to use the information in the code of conduct on aflatoxin, to enhance training materials and course content. FtF-INVC will also establish linkages with research institutions to understand and disseminate the latest developments related to aflatoxin management, especially for the simplified guidance needed for smaller rural and on-farm storage facilities.

Food Fortification

In FY 2013 we focused our work on the regulatory aspects of the nutrition-agriculture interface on food fortification issues. Currently, there is only one food fortification standard (high protein baby food) that has been officially gazetted. Other standards, including vitamin A fortification of vegetable oil, have been developed since 2006 but they have not been fully reviewed by the Ministry of Justice to recommend approval, signature, and publication as official MBS standards. Therefore, there is little legal basis for MBS or other agency to regulate most food fortification. FTF INVC will continue to work with the National Fortification Alliance and industry groups on the fortification standards issue in FY2014, following completion of the ongoing value chain study of complementary fortified foods and micronutrient powders.

Quality Arbitration

An important method to improve compliance with agri-business quality standards is the use of contracts, whether spot or forward, where quality requirements are specified. Through our partners, FtF-INVC will continue to support the use of these contract documents, particularly through ACE, where they have been tried and tested. Quality and standards are an integral part of any marketing system and it is important that the contracts be completed to the quality and quantity specified in order to receive payment at the price stipulated. Of equal importance to contracts themselves is the need to have a means of resolving matters in the event of a dispute. Common dispute resolution processes include mediation and arbitration, and it is essential that these procedures are in place to handle any disputes quickly and efficiently. ACE has an arbitration process in place and has trained a number of arbitrators to deal with issues raised under the ACE rules of arbitration. Training in these aspects of structured trade will be conducted through ACE in conjunction with other implementing partners with a view to providing an understanding of the benefits of these systems.

Upgrade MBG milk testing capacity

Current milk testing methods and equipment being used by MBG only screen milk for sourness (acidity) and adulteration. Additional testing methods, such as composition analysis and microbial quantification of milk provide useful information for milk grading and guidance for herd management and milk handling improvement. With the support of FtF-INVC through the MMPA, MBGs and processor milk testing capacity will be upgraded by the procurement and installation of 4 electronic milk quality analyzers. Additionally, the grant support the quality control training of MBG and processor milk handling and testing staff, as well as provide training to these stakeholders on the establishment of milk quality data collection and analysis systems. The collected milk quality data will be analyzed to assist in the planning of dairy management practices and milk processing improvement interventions. This data will also provide a foundation for the introduction of a quality based milk pricing system that will motivate smallholder dairy farmers to strive for increased milk production volume and improved quality. MMPA has already started discussions on this front with processors.

Strengthen Local Processing

In order to promote nutrition within local communities, business plans for mechanical grinders for groundnuts and soy flour and presses for oil production will be completed through the NASFAM grant. Local processing equipment will be strategically located within high performing farmer associations to promote rural enterprise and local consumption.

SUB-TASK 6: DEVELOP PARTNERSHIPS AND STRENGTHEN INDUSTRY/BUSINESS LINKAGES

Following the critical role FtF-INVC played in forging partnerships between ACE, Charles Stewart, and Universal Foods, further partnership support is envisioned to be provided during the next year. These include potential partnerships with CP Feeds, Carlsberg Breweries and MALDECO fisheries. FtF-INVC with ACE will promote the use of forward contracts tied to warehouse receipts, with an emphasis on the period when commodities are less plentiful (September through April) to provide a better flow of raw materials into the market. The linkages with Freight Forwarders Association and the Road Transport Operators Association (RTOA) that were established during year one will be utilized to ensure that these market access support steps are put into action.

Implementing partners CADECOM, FUM and NASFAM have already been thoroughly sensitized on the use of WRS so that they can now take a more active role in utilizing this WRS facility as a viable market option for their farmer members. This will now be followed up with training courses on the use of warehouse receipts and the benefits of safe and secure storage. The project will expand and scale efforts to link financial institutions to farmer organizations, agro-dealers, small and medium traders, small processors, small storage operators, and the RTOA through stakeholder panels/meetings.

TASK 2: INCREASE VALUE CHAIN EFFICIENCY AND VALUE-ADDING OPTIONS

SUB-TASK 1: CONDUCT ASSESSMENTS OF VALUE ADDED SECTOR

As mentioned earlier, FtF-INVC has developed groundnut and soybean balance sheets. The balance sheet presents a summary picture of the pattern, for example, of Malawi's groundnut supply and utilization during the 2000/2001 to 2010/11 production and marketing years. The balance sheets for groundnuts and soybeans developed in previous quarters were shared with partners and relevant

stakeholders in the industry, to assist them understand better the value chain and their roles as players in the chain. In the absence of detailed feedback from them, the groundnuts and soy bean balance sheets will be presented again to stakeholders during organized meetings, to ensure a fuller understanding of the content and to enable them to provide informed input.

As the project broadens and deepens our understanding of the dynamics of each target value chain and continues to quantify the flow of products, information and financing, FtF-INVC will present this documentation, incorporating input from stakeholders, to the Government of Malawi (GoM), highlighting GoM actions which have and can continue to negatively impact the soy and groundnut industries. These include, but are not limited to, export bans and indicative minimum pricing for crops such as groundnuts and soybeans.

SUB-TASK 2: FACILITATE TECHNOLOGY TRANSFER THROUGH FIRM-LEVEL AND ASSOCIATION ASSISTANCE

As efforts continue to meet international standards for traditional and new fortified foods as well as new products, FtF-INVC grants will continue to support procurement processing equipment that is part of a viable business plan of the member associations of our implementing partners CADEC OM, FUM and NASFAM. Consultations within the industry, particularly groundnut processors, will continue to stay abreast of their search for industrial solutions to reduce aflatoxin levels in processed products. Similarly, the potential for new and innovative uses for soy beans will continue, including milk extraction from soy as well as the potential for new products incorporating soy with maize and/or groundnuts.

To ensure processed food products benefit the communities and improve dietary diversity, efforts will be made to link care group structures, particularly promoters, to inform households about availability of these foods in their communities. It is anticipated that well informed communities will demand and consume the food products such as soy milk and cooking oil produced at farmer association level.

In Lilongwe North and Lilongwe South, the FtF-INVC project will enhance local processing capacity through the IP Grantee purchase of shellers and oil expressers that will provide a market for some of the local production. The project will support procurement of groundnut shellers in order to make shelling easier as in most cases farmers wet the shells to soften them, a process which often causes aflatoxin contamination as the moisture promotes the fungal growth which promotes aflatoxin production.

SUB-TASK 3: IMPROVE ACCESS TO POST-HARVEST HANDLING AND STORAGE OPTIONS

FtF-INVC will continue efforts to find solutions to and/or means of addressing a number of potential problem areas, such as security measures at ACE's rural warehouse network, huge spikes in maize prices (which may or may not be market related), the imposition of export bans, and inadequate transfer of practical, hands-on training in post-harvest and safe storage techniques. The project will continue in the coming six months to train lead farmers and farmers, through implementing partners, in post-harvest and handling techniques, with partners disseminating flyers on post-harvest handling and the use of WRS to farmers. Farmer associations will be sensitized and trained in market entry strategies, including contracts, direct sales and the use of WRS, particularly those tied to forward contracts. In associations where market centers are to be constructed, implementing partners will sensitize farmers in product aggregation, warehouse management, and leadership skills. Through ACE, efforts will be intensified to support the establishment of marketing information points (MIPs). The target is to have at least one in each ZOI district, with the potential for ten in total.

TASK 3: INCREASE ACCESS TO CREDIT AND FINANCE

SUB-TASK 1: SUPPORT DEVELOPMENT OF EFFECTIVE STRUCTURED TRADE OPPORTUNITIES

During FY2014 FtF-INVC will continue to strengthen structured trading systems. In addition to work on spot and forward contracts, we will expand our efforts to facilitate industry acceptance of a set of minimum storage and operating standards, dispute resolution systems, contract farming, commodity exchanges, and collateral management. On this basis, opportunities to provide trade linkages for ACE to South Africa and Zimbabwe will be sought in order to expand the exchange's trading zone. As part of these efforts, direct links to South African Futures Exchange (SAFEX) and increased opportunities to work with large storage, trading and processing companies in both countries will be investigated. In addition, the possibility of forging direct links to banks in those countries will be made.

Communications held with the Southern Africa Trade Hub to obtain assistance in addressing the perceived professional liability insurance gap in Malawi will continue over FY2014. Closing the insurance gap is critical as it has constrained both the expansion of the warehouse receipt program in Malawi and the use of warehouse receipts in regional trade. The project will continue discussion and collaboration with African Trade Insurance (ATI) to improve the existing position and how exactly these improvement can be achieved.

FtF-INVC is continuing collaboration with the Reserve Bank of Malawi (RMB) to operationalize the Export Development Fund. This effort grew out of several meetings and conference attended by the FtF INVC Team for the Association of Future Markets (AFM) held in Johannesburg earlier this year hosted by the Johannesburg Stock Exchange (JSE). Activities this period follow up the recommendation that the Registrar of Financial Institutions take action in support of ACE efforts in the promotion of WRS in Malawi. These efforts will also take cognizance of the approach made to ACE by the Export Development Fund to have exports tied to warehouse receipts with finance being provided by the Reserve Bank of Malawi to commercial banks at preferential rates in support of this initiative. Discussions will be entered into to see if this facility can be fast tracked and brought on stream as a matter of urgency.

SUB-TASK 2: FACILITATE LINKAGES BETWEEN LENDING INSTITUTIONS AND SMALLHOLDERS

In tandem with the successful efforts made in previous quarters to mobilize loan funds from banks to support WRS and forward contracting for maize and soy beans, FtF- INVC will, through partners, scale up the training of farmers in farming business concepts and will also facilitate establishing linkages with insurance companies, to support value chain crops. FtF-INVC will also support lobbying for lending institutions to develop effective products for smallholder farmers.

As mentioned, FtF-INVC will continue working with banks on the forward contracts tied to warehouse receipts, seeking buy-in to the concept from more financial institutions (see Task 1; Sub-task 2 above). This effort will include negotiations to have existing banks increase their commitments in order to make the system more vibrant and competitive. Additional work will be done with ACE to secure purchases for the strategic grain reserve through the ACE using warehouse receipts. All these efforts are designed to improve opportunities for direct access to established markets for smallholder farmers, while at the same time ensuring, to the extent possible, that they are able to qualify for loans from banks using the warehouse receipts as collateral.

In order to expand the number of commodities recorded on warehouse receipts, efforts will be made to have 200 MT of soybeans on receipts and 300 MT of soybean trade facilitated by ACE rural agents. Sensitization of farmers will continue with 13,000 to be targeted to be able to access price information

for commodity markets. To complement these initiatives, FtF-INVC partners FUM, CADECOM, NASFAM and MMPA will look to train 9,000 farmers in farming as a business.

TASK 4: FOSTER BUSINESS ENABLING ENVIRONMENT

SUB-TASK 1: STRENGTHEN VERTICAL COORDINATION AND TRUST

Regular meetings with various private actors and associations such as RTOA, processors, banks and similar business providers that may currently be operating in isolation, yet in similar industries or commodities, will be continued in the 2014 Work Plan. The key activity will be to bring them together so that they can dialogue and collaborate in various spheres of the industry. Through regularized meetings, FtF-INVC will facilitate coordination and collaboration among business players to improve efficiency in service delivery to the industry. Through these coordination and collaboration meetings, comparative advantages and opportunities to leverage funds and/or capacity will be identified among the various actors. Organizations that currently operate in isolation will be brought together so that they can dialogue and collaborate in various spheres in the industry, such as identifying areas where value-added collaboration is possible. Similarly, the links already established between Nkhoma Hospital and NASFAM and FUM to support integration of the delivery of nutrition and health information and training at community level will continue to be supported by INVC.

SUB-TASK 2: BUILD AGRICULTURAL POLICY ADVOCACY & DIALOGUE CAPACITY

FTF-INVC works along the agricultural policy consultation and dialogue process as a part of USAIDs harmonized participation in the Agriculture Sector Wide Approach (ASWAP). We provide inputs to the Technical Working Groups of the ASWAP and the MOITs newly launched TRADESWAP directly, assist the three industry platforms (SOYAMA, DIDP, and GLT), and work with CISANET on the agricultural policy agenda. We will continue this work in FY 2014 with mentoring and grant support to CISANET to develop industry association incubation services. These services are intended to help structure the agenda of industry commodity groups to enable private sector regrowth and in the process generate their own financial resources for advocacy that is independent of donor or government control.

We will work with partner organizations and associations to help them develop realistic and comprehensive advocacy plans for the dairy, soy bean and groundnut value chains for farmer groups, milk bulking groups, para-vets and artificial insemination (AI) technicians among others. Such policy advocacy issues identification activities will be carried out through industry associations such as DIDP for dairy and soya for SOYAMA. Both associations will work through CISANET and key issues will be linked to USAID/MAPS for deeper analysis and advocacy.

The work of implementing partner MMPA in the dairy sector illustrates activities planned for all target sectors over the next year. FtF-INVC and the MMPA will continue their work facilitating collaboration amongst dairy value chain actors through the established DIDP. CISANET will work with DIDP technical working groups to: collectively lobby the GoM to set up the Dairy Board as required under the Milk and Milk Products Act and abolish the 3% withholding tax on milk sales and import duty on semen.

FtF-INVC's support to DIDP will be through CISANET and will target the achievement of regulatory changes and facilitate the review of breeding policy versus import of dairy stock. One of the major immediate tasks for the DIDP is to formulate a long-term national dairy industry development strategy, which will be supported by the project. To this effect, FtF-INVC will support a study to assess current policies around milk and milk products in Malawi as well as other determinants that affect the industry, through the MMPA. The findings of this study will be presented to the GoM once the industry has endorsed the findings.

Table 4: Component 1 - Advancing Value Chain Competitiveness

Planned Activities	Objectively Verifiable Indicators	Means of Verification	FY 2014						Responsible Person	Assumptions	Risks
			Quarter 1			Q2	Q3	Q4			
			O	N	D						
Task 1: Increase Access to Markets											
Sub-Task 1: Conduct Upgrading Strategies, Competitiveness/Market Analysis, and Demand Assessments											
Update Targeted INVC Value Chain Strategies	Stratified data for all INVC districts aligned with INVC target groups	Partners engaged in dialogue; proposals or work plans submitted.							INVC; partners	Current and more rigerous data available	
Support SOYAMA, DIDP, CISANET in capacity building of partners, associations and stakeholders	Meetings held as scheduled.	Meeting minutes.							INVC and Partners	Collaboration forthcoming	
End market analysis examining target markets and product characteristics – Annual Soybean and Groundnut Balance Sheets.	2 SoW's drafted, 2 STTA identified, contracted.	Both End Market Analyses received/accepted.							FUM, NASFAM, CADECOM and Value Chain Coordinators	Market data available	
Work with Industry Working Groups on assessing demand & modifying seed map to match buyer preference.	Seed maps reviewed by WG Task Forces.	Both Task Force reports tabled, reviewed by WG's.							FUM, NASFAM, CADECOM and Value Chain Coordinators	Collaboration forthcoming	
Disseminate flyers on post -harvest handling and use of WRS	25,000 Fliers disseminated	Dissemination reports							FUM, NASFAM, CADECOM and Value Chain Coordinators	High farmer literacy levels Farmers able to read and understand Chichewa language	

Planned Activities	Objectively Verifiable Indicators	Means of Verification	FY 2014						Responsible Person	Assumptions	Risks
			Quarter 1			Q2	Q3	Q4			
			O	N	D						
Represent groundnut balance sheets to stakeholders to ensure full understanding of the content and to provide informed input	Number of groundnut balance sheets presented	Session report							FtF INVC	Stakeholder input expected and available	
Present final balance sheet incorporating inputs from stakeholders to government highlighting actions taken by government which have and can negatively impact the soy and groundnut industry	Number of groundnut balance sheets presented	Positive feedback from the government							INVC through CISANET	Partners willing to review the draft balance sheet	
Sub-Task 2: Support Industry Participants in Market Development and Marketing											
Continue work with existing warehouses and collection points (grain to be moved to major centers) for use as public storage and issuing of warehouse receipts	Improvements in current warehouse services and operations (6)	Assessment report receipts issued							FUM, NASFAM, CADECOM, ACE, FtF INVC	Capacity of rural warehouses	
Expand the use of warehouse receipts into the rural areas	Number warehouses registered in rural areas	Warehouse receipts issued and the volume of soy beans stored and							INVC, ACE, FUM, NASFAM, CADECOM, RAB	Sensitization on WRS has been carried out already in rural areas	

Planned Activities	Objectively Verifiable Indicators	Means of Verification	FY 2014						Responsible Person	Assumptions	Risks
			Quarter 1			Q2	Q3	Q4			
			O	N	D						
		receipts issued							Proccessors, GSL, Mellinium Village		
Increase the number and variety of commodities recorded on warehouse receipts	Number of commodities recorded on warehouse receipts by variety	Warehouse receipts issued							FtF INVC, ACE, FUM, NASFAM, CADECOM and other storage partners	Farmer groups willing to participate in WRS and suitable storage available	
Facilitate meetings with banks to increase the number of financial institutions supporting the WRS as well as increasing the amount of finance allocated for this purpose	Number of meetings completed	Meeting Minutes							FtF INVC, ACE, Banking Partners	Banks will better understand WRS and "buy in" to the system	
	Number of banks supporting the WRS	Bank transfer documents									
	Amount of funds allocated to support WRS	Financial receipts									
Support the use of forward contracts using warehouse receipts	Number of processors engaged in/ for the use of forward contracts on warehouse receipts to ease procurement procedures	Signed contracts							FtF INVC, ACE, FUM, NASFAM, CADECOM, Banking Partners	Processors, banks, and farmers will see the benefits of the system	
Support the use of trade contracts stipulating all terms and conditions relevant to the trade	Number of organizations/industries having a buy-in to the trade contacts	Signed contracts							FtF INVC, ACE, FUM, NASFAM, CADECOM	Industries will see the benefits	

Planned Activities	Objectively Verifiable Indicators	Means of Verification	FY 2014						Responsible Person	Assumptions	Risks
			Quarter 1			Q2	Q3	Q4			
			O	N	D						
(deal) including performance details											
Support the use of dispute resolution training and utilization	Training sessions done	Training/utilization report							FtF INVC, ACE, FUM, NASFAM, CADECOM	Whole industry will see the benefits	
Promote the wider use of commodity exchanges	Partners/organizations using commodity exchange concept	Activity report							FtF INVC, ACE, FUM, NASFAM, CADECOM	Whole industry will see the benefits	
Promote the wider use of contract farming using the commodity exchanges as a means of achieving this	Number of partners/organizations using commodity exchange concept	Contracts							FtF INVC, ACE, FUM, NASFAM, CADECOM	More education done to publicize contract farming	
Facilitate training in collateral management to obtain industry acceptance that these services are to be undertaken by registered storage operators	Number of people trained in collateral management	Affordable collateral management systems instituted							FtF INVC, ACE, FUM, NASFAM, CADECOM, CISANET	Use of affordable collateral management acceptable to banks and the industry Members willing to be trained	
Joint training programs on contracts, forward contracts, selling procedures, grades and standards at VAC and GBC levels	Training conducted for a minimum of 3 VAC or GBC's per district with plans in place for emphasizing the need for grading and standards	Contracts in place, with payments clearly reflecting better prices for higher quality commodities							ACE, FUM, NASFAM, CADECOM, INVC	Uptake by farmers and the market including processors	

Planned Activities	Objectively Verifiable Indicators	Means of Verification	FY 2014						Responsible Person	Assumptions	Risks
			Quarter 1			Q2	Q3	Q4			
			O	N	D						
Joint training of smallholder farmers in grades and standards, moisture testing, grain and nut conditioning for sale	25% of targeted farmers trained in and applying grading standards.	Training report							FUM, NASFAM, CADECOM, ACE, FtF INVC	Partners willing to hold joint training with FtF INVC	
Support the training of farmer groups in sales strategies, dividing crop into early, mid and late marketing lots, as well as the benefits of storage to maintain quality	15 % of trained farmers applying methods and making higher profits than untrained colleagues	Farmer groups trained							FUM, NASFAM, CADECOM, ACE, INVC	Farmer willing to participate in the training and apply the knowledge gained.	
Facilitate market linkages/trade fair events (e.g. Harare Agricultural Show)	Number of partners/FtF officers participating in trade fairs/agricultural shows	Attendance reports Field reports							FUM, NASFAM, CADECOM, ACE, FtF INVC	Availability of relevant trade fairs and agricultural shows worthy of participating Availability of funds	
Explore value chain finance and insurance options	Consultative meetings held to explore value chain finance and insurance options	Meeting notes MOU's for pilot schemes for each value chain agreed upon/signed							FUM, NASFAM. CADECOM, ACE, INVC, ATI, Banking Partners	Open mindedness and understanding on the part of financial and insurance institutions	
Simplified storage guide to be completed for use by small storage operators as well as for on farm storage facilities	Simplified storage guide produced and translated into Chichewa	Copies of the guide							FtF INVC, ACE, NASFAM, FUM and CADECOM	Need exists for a document of this type	

Planned Activities	Objectively Verifiable Indicators	Means of Verification	FY 2014						Responsible Person	Assumptions	Risks
			Quarter 1			Q2	Q3	Q4			
			O	N	D						
Develop training materials for knowledge sharing on the content of the simplified storage guide	Number of training materials produced by type (leaflet, flyer) and content (thematic area being addressed) and translated into Chichewa	Copies of the materials							FtF INVC, ACE, South African, Zimbabwean and Malawian traders and processors	Need exists for a document of this type Available expertise to produce the guide	
Expand ACE's area of influence via linkages with South Africa and Zimbabwe	More marketing opportunities established for direct access by farmers	Reports							FtF INVC, ACE, South African and Zimbabwean traders and processors	Willingness of markets to accept ACE as a conduit for business	
Promote the introduction of broking services on ACE and begin dialogue with partners and members of ACE to understand the benefits	Number of FtF partners entered into dialogue with on broking (to work as brokers) Number of ACE partners mobilized as brokers	Reports							FtF INVC, ACE, FUM, NASFAM, CADECOM, Farmers' World, Rab Processors	Willingness of partners to work as brokers	
Promote minimum standards for storage facilities and storage management techniques to help maintain the integrity of	Number of storage operators farmers trained in minimum standards for storage facilities and storage	Training reports							FtF INVC and ACE	Willingness of markets and the agricultural industry to accept minimum storage and operating standards	

Planned Activities	Objectively Verifiable Indicators	Means of Verification	FY 2014						Responsible Person	Assumptions	Risks
			Quarter 1			Q2	Q3	Q4			
			O	N	D						
commodities deposited into registered warehouses	management techniques for warehousing										
Build capacity of promising farmer associations, agro-dealers and small traders to become brokers	Number of promising farmer associations, agro-dealers and small traders supported to become brokers	Report							FtF INVC and ACE and other partners	Willingness of promising farmer associations, agro-dealers and small traders to become brokers	
Support increased market options available for groundnuts	Groundnuts accepted into accepted groundnuts storage facilities	Launching report							FtF INVC	Availability of markets	
Train farmers on the importance of utilizing safe and secure storage of groundnuts	837 Lead farmers trained	Partner field reports							INVC and partners	Farmers willing to be trained	
Mobilize farmers and link them to WRS and alternative direct markets	837 Lead farmers mobilized	Partner field reports							FtF INVC and Partners	Successful establishment of WRS in most partner areas of operation	
Train farmers on collective marketing/bulking/ aggregation and governance for farmer associations	837 Lead farmers trained	Partner field reports							FtF INVC and Partners	Farmer willingness to aggregate the produce	
Train lead farmers on post-harvest handling, grading	837 Lead farmers trained	Partner field reports							FtF INVC and Partners	Farmer willingness to be trained	

Planned Activities	Objectively Verifiable Indicators	Means of Verification	FY 2014						Responsible Person	Assumptions	Risks
			Quarter 1			Q2	Q3	Q4			
			O	N	D						
and quality standards										Availability of qualified trainers	
Support establishment of marketing information points (MIP) by ACE	One MIP in each FtF INVC District	Reports							FtF INVC and ACE	Feasibility and success of MIP as sources of information for smallholders	
Sub-Task 3 Strengthen Producer, Processor and Value Chain Based Trade Associations											
Contract Tradeline and Umodzi to strengthen farmer associations in leadership, business planning and management	Number of Farmers Associations trained	Contracts Training reports							FtF INVC, Tradeline and Umodzi	Availability of value chain associations willing to be strengthened	
Sub-Task 4 Strengthening the National Dairy Industry Through a Unified Platform											
Facilitate collaboration amongst the value chain actors through the established industry platform and INVC support to DIDP for achievement of regulatory changes	One Breeding policy reviewed versus import of dairy stock; Number of meetings held to lobby institutionalization of the dairy board; 1 Milk and Milk Products Act reviewed	List of recommendations on breeding policy to government; Report; Reviewed/draft Act, Draft Milk Act Feedback made to DAHLD							CISANET and DIDP	CISANET supported to conduct policy advocacy and mobilize stakeholders	
Strengthen the national dairy industry through stakeholder participation, mobilization and registration of the industry platform as	Number of value chain actors mobilized. TORs developed defining the scope of	Industry platform registered and operational							FtF INVC with CISANET	Stakeholders' willingness to collaborate and contribute to industry growth	

Planned Activities	Objectively Verifiable Indicators	Means of Verification	FY 2014						Responsible Person	Assumptions	Risks
			Quarter 1			Q2	Q3	Q4			
			O	N	D						
a trade association	operation										
Expanding MBG membership based on farmers with free-ranging zebu cattle	550 MBG non-members with zebus identified (100 farmers / quarter); 340 Zebu animals identified for breeding (170 animals / quarter)	Reports							MMPA	MBG non-member farmers realize and become interested to benefit from MBG membership	
In coordination with on-going GoM and other efforts, develop BCC messages and design campaign underscoring nutritional benefits of dairy consumption targeting young children, pregnant women, other vulnerable populations Facilitate public-private initiative sponsoring a national “Drink More Milk” day.	ToR’s developed. Grant awarded to local partner. MoU’s signed with GoM, private sector partners. BCC messages drafted agreed. Baseline information collected for target groups. Program shall cover all 4 districts and reach 1 million households.	BCC communications packages publicized; national “Drink More Milk” day held. Milk and dairy sales increased among target groups.							INVC Nutrition Team with Partners	Interest from GoM	
Explore externally funded school nutrition programs including dairy products.	ToR’s drafted. STTA identified, contracted. Discussions will include 95% of all organizations operating	Pilot programs implemented; on-going monitoring for nutrition, market development							INVC Nutrition Team with Partners	Scope for expansion of dairy content in present programs; sufficient supply response	

Planned Activities	Objectively Verifiable Indicators	Means of Verification	FY 2014						Responsible Person	Assumptions	Risks
			Quarter 1			Q2	Q3	Q4			
			O	N	D						
	school-related feeding programs. Alternative programs agreed with external donors, NGO's, IPO's.	and production impacts.									
Geo-reference MBG's, their members and collection points.	ToR's developed including equipment specifications. Grant awarded to apex organization activity manager. Complete 8 MBG's and collection points GPS'ed, and 95% of members' locations.	Geo-referenced membership database linked to farm production records. Cost surface model developed. More efficient collection and distribution system in set.							MMPA and INVC	Locations are accessible.	
Consult with processors on areas for improving MBG suppliers' efficiency, product quality, services and establish baselines.	SoW drafted. Consultant identified, contracted. All major dairy processors interviewed.	Report of findings discussed at stakeholder workshop, culminating in focus areas for INVC technical support.							MMPA and INVC	Affordable solutions to increase efficiency can be found	
Increasing the number of dairy	Number of milking cows in	MBG number of cows							MMPA and INVC	AI services efficient and effective;	

Planned Activities	Objectively Verifiable Indicators	Means of Verification	FY 2014						Responsible Person	Assumptions	Risks
			Quarter 1			Q2	Q3	Q4			
			O	N	D						
animals to increase raw milk availability	existing MBGs of all types of cows									motivated owners are found that are affordable	
Sub-Task 5 Enhance Capacity to Comply with Standards, Quality Control and Food Safety Procedure											
Sensitize partners on quality control procedures, afloatoxin management and post-harvest handling, grading and quality starnards	837 Lead farmers trained	Partner field reports							FtF INVC and Pakachere	Realization of the need for quality in groundnuts	
Upgrade MBG milk testing capacity by installing advanced milk testing equipment at MBG centre and processors	5 Milk testing machines installed at MBGs 1 Milk testing machine installed at processor	Report							MMPA	MBGs have access to electricity	
Train MBG milk handling staff, MBG representatives, MMPA technical officers and processors staff on milk quality	15 Milk handling personnel trained	Training report							FtF INVC and MMPA	Milk testing equipment delivered to MBGs.	
Establish milk quality data collection and analysis systems at MBG.	Milk quality data collection tools instituted at 5 MBGs	Databases installed/established							FtF INVC with MMPA	Need for milk data usage exists	
BCC communication program on	ToR's for BCC program drafted. STTA identified	Impacts of piloted program							INVC Nutrition Team	No problems anticipated	

Planned Activities	Objectively Verifiable Indicators	Means of Verification	FY 2014						Responsible Person	Assumptions	Risks
			Quarter 1			Q2	Q3	Q4			
			O	N	D						
mycotoxins and subcategory of aflatoxins developed and tested.	and contracted. BCC program piloted in two INVC Districts using means to reach 10,000 INVC target participants.	evaluated across both districts and confirming estimated coverage.									
Care Group model incorporates avoidance of high aflatoxin risk groundnuts and hygienic preparation and packaging for household meal preparation and local sales.	Joint INVC Nutrition/Ag Team agree on key messages for incorporation. Materials drafted and jointly reviewed. Sufficient copies of integrated training materials produced to cover all INVC nutrition districts.	Final drafts available for field testing.							INVC Nutrition Team	Messages are not overly burdensome or expensive to prevent adoption	
Sub-Task 6 Develop Partnerships and Strengthen Industry/Business Linkages											
Link financial institutions to farmer organizations, agro-dealers, small and medium traders, small processors, small storage operators, and RTOA through stakeholder panels/meetings	5 Panel meetings facilitated	Meeting notes							FtF INVC, Tradeline and Umodzi	Develop business opportunity through linkages	

Planned Activities	Objectively Verifiable Indicators	Means of Verification	FY 2014						Responsible Person	Assumptions	Risks
			Quarter 1			Q2	Q3	Q4			
			O	N	D						
Establish linkages with Insurance companies to support groundnuts industry initiatives	Number of insurance companies linked with groundnuts industry initiatives	Reports							FtF INVC and ACE	Willingness of Insurance Companies to take the high risks involved in this industry	
Task 2: Increase Value Chain Efficiency and Value-Adding Options											
Sub-Task 1: Conduct Assessments of Value Added Sector											
Assess the history, market fit, and business model for the introduction of village soy processing machinery. Compare this equipment with alternative household techniques.	SoW drafted. STTA identified and contracted. Models identified for three levels of processing capacity; small , moderate and large according to conditions found.	Comparative technical, financial and market analysis submitted with recommendations.							Partners	Machinery affordable; power supply available where required	
Assess the growth of soy product processing and microenterprise formation. Determine market potential for lending to micro--enterprises in Years 2 & 3 to support their growth, through VSLs or links to microfinance institutions.	SoW drafted. STTA identified and contracted. At least three models processing different products will be evaluated and consider rural, urban and disaster relief end markets.	Market, technical and financial analysis including business models submitted with recommendations.							Partners	Sufficient demand for processed soy product at given costs of produc-tion support market growth	
Assessment of	SoW drafted.	Report with							Partners	Advantages of in-shell	

Planned Activities	Objectively Verifiable Indicators	Means of Verification	FY 2014						Responsible Person	Assumptions	Risks
			Quarter 1			Q2	Q3	Q4			
			O	N	D						
benefits:costs to smallholders, vendors, processors, and exporters of an in-shell groundnut buying program with top of supply chain actors in small-holder aggregation. Launch promotion in second half of the production season.	STTA identified and contracted MoU's signed with key VC actors. Surveys cover all INVC groundnut producing districts and at least the three INVC farm size stratifications. Women should comprise 50% of producers interviewed.	recommended pilot program options submitted. Discussed at stakeholders workshop and pilot program options agreed.								groundnuts attractive to market	
Feasibility assessment through testing and test marketing of local (VAC or GBC) and centralized (Processor level) ammonification of groundnut shells for cattle feed.	ToR's drafted. STTA identified and contracted. Test protocol design agreed. At least 3 GBC's or VAC's from 4 INVC districts should be among test markets and in the INVC dairy districts with MBG's.	Groundnut shell-based cattle feed produced, livestock feeding trials conducted and feasibility analysis reported.							Partners	Feed palatable, affordable, yields high returns to cost	
Feasibility assessment through testing and test marketing of groundnut haulm (dried plant) low compression (box) or high	ToR's drafted. STTA identified and contracted. Test protocol design agreed. At least 3 GBC's or VAC's from 4 INVC districts	Baled groundnut haulm produced using two technologies. Haulm-based cattle feeding							Partners	Feed palatable, yields high returns to cost including labor	

Planned Activities	Objectively Verifiable Indicators	Means of Verification	FY 2014						Responsible Person	Assumptions	Risks
			Quarter 1			Q2	Q3	Q4			
			O	N	D						
compression (machine) baling for cattle feed.	should be among test markets and in the INVC dairy districts with MBG's.	trials conducted and feasibility analysis reported.									
Assess history, market fit, &business model for the introduction of village level mechanical oil presses (also useable for sunflower, sesame, soy). Compare this equipment with alternative household techniques.	SoW drafted. STTA identified and contracted. At least three models should be tested according to village production levels, target markets and techniques.	Comparative technical, financial and market feasibility study with recommendations.							Partners	Both machinery and final product are affordable	
Feasibility study on upgrading of the NASFAM groundnut oil extraction plants with regional export option.	SoW drafted. STTA identified and contracted. At least 3 options be presented & at least two export options shall be evaluated.	Feasibility study with market analyses delivered.							Partners	No problems anticipated. Latent market demand exists.	
Base of pyramid product and distribution study on small-pack value added product sales in secondary towns and regionally: peanut butter, peanut oil,	SoW drafted. STTA identified, contracted and managed through partnership. At least 10 secondary town markets	Market study available to INVC Nutrition partners and incorporate into nutrition activities. Commercial producers test							Partners	Product demand exists but packaging, form is the underlying market problem.	

Planned Activities	Objectively Verifiable Indicators	Means of Verification	FY 2014						Responsible Person	Assumptions	Risks
			Quarter 1			Q2	Q3	Q4			
			O	N	D						
RUTF.	distributed over the 4 INVC districts including 3 regional markets shall be tested for all 3 products.	market.									
Sub-Task 2: Facilitate Technology Transfer through Firm-Level and Association Assistance											
Procure processing equipment and post- harvest materials (shellers) through the grant mechanism	80 Groundnut hand shellers, 220 solar dryers, 80 moisture meters procured;2 Mechanical grinders, 2 oil pressers procured	Receipts; Partner Reports							FtF INVC	No economic inflation that will negatively affect procurement	
Support procurement of peanut butter, peanut flour equipment for processing	5 Adding value processing equipment procured	Receipts							FtF INVC and Partners	Existence of local demand for value added products	
Support development of nutrition BCC on soy products.	ToR's developed. Grants awarded, managed through partners. At least 5 key soy nutrition messages included into BCC materials and distributed	Soybean specific BCC nutrition promotion messaging within INVC and partner household nutrition BCC programs.							INVC Nutrition Team and partners	No problems anticipated	

Planned Activities	Objectively Verifiable Indicators	Means of Verification	FY 2014						Responsible Person	Assumptions	Risks
			Quarter 1			Q2	Q3	Q4			
			O	N	D						
	to all major farmers' unions.										
Care Group model promotes home-based soy utilization programs to improve nutrition e.g. village soy processing.	Joint INVC VC/Nutrition messages developed. Messaging incorporated into ToT, Core Group, Village volunteer training. 90% of recruited trainers and volunteers can repeat 3 of 5 key messages. Baseline information on target groups collected.	Soybean utilization among target groups increases 'significantly' within 25% of contact households, ie. enough to have nutritional impact on vulnerable groups.							Nutrition partners	Soybean pricing / productivity supports retaining soybean for home consumption	
Rural households receive soybean nutrition and recipe preparation training.	Joint INVC VC/Nutrition consultations leading to agreement on impact pathways. BCC, production, utilization messages developed, incorporated into ToT, Core Group, Village volunteer training. Soy-based recipe	Soybean utilization among target groups increases 'significantly' within 25% of contact households, ie. enough to have nutritional impact on vulnerable groups.							Nutrition partners	Partners reach household level with training	

Planned Activities	Objectively Verifiable Indicators	Means of Verification	FY 2014						Responsible Person	Assumptions	Risks
			Quarter 1			Q2	Q3	Q4			
			O	N	D						
	reach over 70,000 poor households. Baseline information on target groups collected.										
Care Group model incorporates avoidance of flatoxin risk in ground -nuts and hygienic preparation and packaging for household meal preparation and local sales.	Sufficient copies of integrated training materials produced to cover all INVC nutrition districts.	Final drafts available for field testing.							Nutrition partners	Households comprehend dangers of aflatoxins and respond.	
Review of Care Group model groundnut recipes for dietary diversity.	Groundnut-based recipes selected, incorporated into Care Group training curriculum. Soy-based recipe preparations reach over 70,000 poor households.	Soybean utilization among target groups increases within 25% of contact households, sufficient for nutritional impact on vulnerable groups.							INVC Nutrition Team	No problems anticipated	
Coordinating with on-going GoM and other efforts, develop BCC messages and design campaign underscoring	ToR's developed. Grant awarded to local partner. MoU's signed with GoM, private sector	BCC communications packages publicized; national "Drink More Milk" day held. Milk and							INVC Nutrition Team with Partners	Interest on part of GoM to collaborate, promote dairy for its nutritional benefits.	

Planned Activities	Objectively Verifiable Indicators	Means of Verification	FY 2014						Responsible Person	Assumptions	Risks
			Quarter 1			Q2	Q3	Q4			
			O	N	D						
nutritional benefits of dairy consumption targeting young children, pregnant women, other vulnerable populations Facilitate public-private initiative sponsoring a national “Drink More Milk” day.	partners. BCC messages drafted agreed. Baseline information collected for target groups. Program shall cover all 3 regions and reach 1 million households.	dairy sales increased among target groups.									
Explore externally funded school nutrition programs including dairy products.	ToR’s drafted. STTA identified, contracted. Discussions will include 95% of all organizations operating school-related feeding programs. Alternative programs agreed with external donors, NGO’s, IPO’s.	Pilot programs implemented; on-going monitoring for nutrition, market development and production impacts.							INVC Nutrition Team	Interest, funding exists to expand dairy in nutrition programs; sufficient supply response to support expansion.	
Sub-Task 3: Improve Access to Post-Harvest Handling and Storage Options											
Disseminate flyers on post -harvest handling and use of WRS	25,000 Fliers disseminated	Dissemination reports							FtF INVC	High farmer literacy levels Farmers able to read and understand Chichewa language	
Produce low cost video on post-	1 Low cost video on	Video documentary							FtF INVC	Video to have comprehensible and	

Planned Activities	Objectively Verifiable Indicators	Means of Verification	FY 2014						Responsible Person	Assumptions	Risks
			Quarter 1			Q2	Q3	Q4			
			O	N	D						
harvest handling	groundnut post-harvest handling produced									entertaining information	
Testing of satellite kiosk as an extension and market information tool with hours reserved for women on groundnut production, postharvest handling, & marketing.	ToR's developed. MoU signed with IT partner. Materials developed. Kiosk infrastructure in place and pilot functioning in three different locations.	Market information tool tested in 3 sites reaching at least 1000 farmers, 60% of whom are women.							Partners	Satellite coverage and solar technology functional under local conditions	
Task 3: Increase Access to Credit and Finance											
Sub-Task 1: Support Development of Effective Structured Trade Opportunities											
Facilitate links between suppliers/smallholder groups and industry through assessment of benefit : cost of top of value chain actor service provision to smallholder aggregators and growers.	MoU's, ToR's for B/C study agreed. STTA identified, contracted. Report findings covering minimum of 4 TOVC service providers (2 soybean/2 groundnut) and their suppliers discussed.	Workshop utilizing report findings conducted bringing together service providers and aggregator/grower representatives.							Partners	Willingness of VC service providers to collaborate; transparency between suppliers and smallholders	
Facilitate market linkages/trade fair events (e.g. AEC regional trade platform)	INVC with partners identify /target potential new markets. Develop calendar of at	Partners provide test quantities to at least 4 prospective buyers.							Partners, INVC, regional trade programs, projects	Timeliness, relevance of scheduled events	

Planned Activities	Objectively Verifiable Indicators	Means of Verification	FY 2014						Responsible Person	Assumptions	Risks
			Quarter 1			Q2	Q3	Q4			
			O	N	D						
	least three trade or industry events for each value chain.	Partners participate in 3 regional/international trade or industry events (one per value chain).									
Provide trade linkages for ACE to South Africa and Zimbabwe	Trades of Malawian products on regional exchanges and/or purchase made by regional buys via ACE exchange Exchange trade data	Exchange trade data							ACE	Demand by regional buyers and Malawian products meet export standards	
Sub-Task 2: Facilitate Linkages between Lending Institutions and Smallholders											
Train farmers in farming as a business	837 Lead farmers trained	Reports							FtF INVC, Tradeline and Pakachere	Potential business opportunities in farming	
Lobby lending institutions to develop financial service products/loan facilities for smallholder farmers	5 Lobbying meetings done to lending institutions	Meeting notes							FtF INVC	Financial security prevalence in the industry	
Mobilize financial institutions to support WRS	Additional 2 banks engaged	Portfolios committed for WRS							FtF INVC and ACE	Business viability promising in Malawi	
Task 4: Foster Business Enabling Envronment											
Sub-Task 1: Strengthen Vertical Coordination and Trust											
Facilitate quarterly	4 Meetings done	Meeting							FtF INVC	Partners willing to	

Planned Activities	Objectively Verifiable Indicators	Means of Verification	FY 2014						Responsible Person	Assumptions	Risks
			Quarter 1			Q2	Q3	Q4			
			O	N	D						
consultative/coordination meetings		reports								attend meetings	
Engage Tradeline and Umodzi as business service providers to build assoiation capacity to advocate, provide business support and facilitate industry commuications (ABCs)	Business services engagements	Improroved capacity of associations to deliver advocacy, business services and member communication							Tradeline and Umodzi	Demand for capacity building BDS	
Sub-Task 2: Build Agricultural Policy Advocacy and Dialogue Capacity											
Organize quarterly meetings with private players such as RTOA, processors, banks and similar business providers	1 Meeting organized	Meeting notes							FtF INVC and partners	Business opportunities envisaged	
Conduct policy analysis on issues affecting the value chains	5 key marketing policies analyzed	Reports							CISANET	Some policies are negatively affecting the industry	
Support CISANET to lobby for the review of policies affecting market efficiency	2 Policy lobbying sessions done	Reports							FtF INVC through CISANET	Some policies are negatively affecting the industry	

COMPONENT 2: IMPROVING PRODUCTIVITY

REVIEW OF MARKET-LED EXPECTATIONS AND OUTLOOK

Farmers in Malawi tend to adjust their selection of crops based on the prices paid and the cash received from sale of the prior year's crop. INVCs first work planning effort developed a chart showing our expectations for farmer planting decisions in the 2012/2013 cropping season as shown in Figure 3 below.

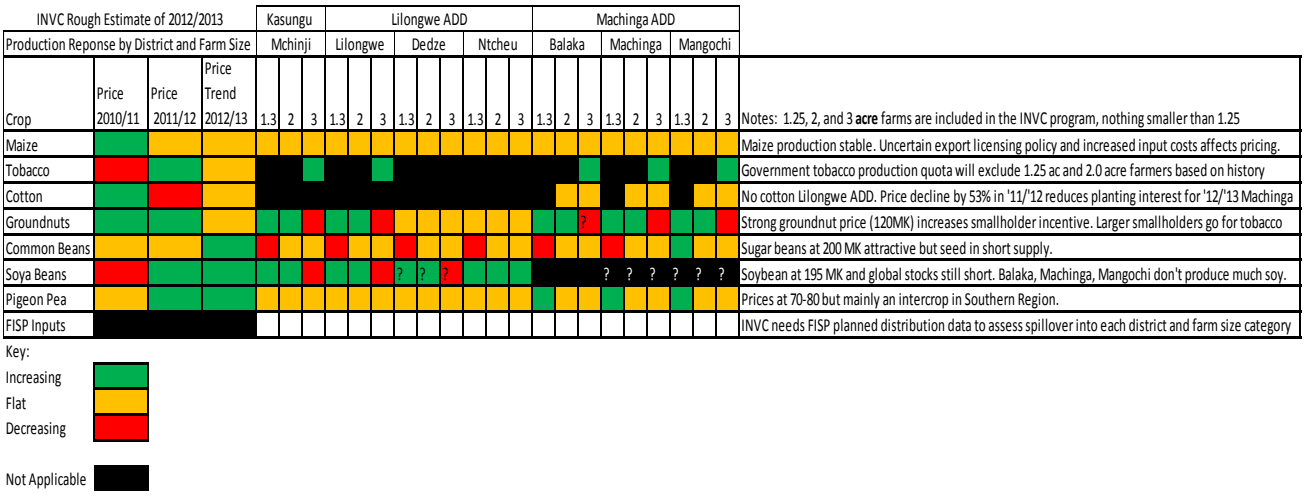


Figure 3: FTF INVC 2012/2013 Cropping Decision Estimation

Maize versus other crops. We expected that maize area and production in 2012/2013 would remain stable with prices (in dollar terms) also expected to stay flat and farmers to maintain production areas and levels of investment in inputs and management practices. However, maize prices spiked during the hungry season (see analysis below) and have not declined to regional levels despite Ministry of Agriculture and Food Security (MAFS) declaration of about a 360,000 mt surplus from a wet growing season. Strong maize prices may mean that INVC farmers at the 3 acre level may expand areas devoted to maize likely displacing some tobacco in the northern INVC districts, and displacing cotton in the southern INVC districts where heavy rains caused a sharp decrease in cotton yields and production. The national cotton effort to stimulate cotton production had projected a 36% increase in cotton output against the 26% reduction in cotton production reported by MAFS. The 2012/2013 yield depression from rain and resultant low gross returns per acre to smallholders will probably mean that they will reduce cotton area, unless substantial new incentives are put in place. The continued strong demand for maize means farmers with smaller landholdings will increase maize area at the expense of other crops.

Groundnut versus other crops. MAFS estimates released in early June 2013, show a 9% increase in groundnut production from about 368,000 mt to about 401,000 mt. Prices would be expected to decline at this level of production, because year-on-year consumption and export growth is probably far less than 9 percent. Confectionary nut exports have been hampered by aflatoxin issues returning

stock from the 2011/2012 production and marketing year to national markets over much of 2013. However, August 2012 prices at 120 MK/kg ($444/mt) have risen to August 2013 prices in the 230 MK/kg ($677/mt) range, an increase of over 52% increase. While the USDA World Oilseeds report for July 2013 shows a 9% decrease in world groundnut stocks compared to the very high stock levels of July 2012, total world oilseed stocks have increased by 17%, and only lower-priced groundnut origins from India were receiving much buyer attention in August 2013. While there were reports of "Rwandan" traders exporting groundnuts from Malawi in large quantities last year, with similar rumors starting now, no good data is available to assess whether the informal export trade in groundnuts has significantly affected Malawi's carryover stocks of groundnuts.

Soybean versus other crops. Malawi's Ministry of Agriculture has reported that soybean production increased from 2011/2012 levels to 116,977 mt in 2012/2013. In August 2012, soybean prices in Malawi had spiked to 195 MK/kg ($722.2/mt), reflecting a speculative spike due to heat and drought in the main US production zones. The price spike reversed quickly after crop forecasts showed that impact on soybean production would be small. Malawian prices then declined to the 120 MK/kg ($444.4/mt). In August 2013, aside from the very small purchases under the PIPaHR program at 170 MK/kg ($529.6/mt) that were totally out of line with market levels regionally, current prices in trading centers are running about 120 MK/kg ($373.8/mt). In short, soybean seems to be the only one of the three crops that shows a "normal' relationship between supply and demand reflected in market prices.

Milk. Malawi remains a high-price milk producer compared to higher efficiency producers in the world with prices at milk bulking groups of about $0.22-0.25 per liter. Vendor demand for raw milk in the Christmas holiday period can reach $0.38 to $0.47 in the per-urban zone. However, demand for fresh milk for formal processing drops after the New Year, which is managed by processors as a tightening of quality standards that are not as tightly applied during the peak demand period, reducing prices paid by small vendors for raw milk as well. Urban demand for processed milk products in the upper income quintiles picks up again at the end of the first quarter, and processors of UHT milk report that there is demand again from some rural areas after the tobacco auctions and during the major maize marketing peak season. There is no credible data yet on milk consumption in rural areas by cow-owning households, even for those who are members of MBGs. Imported powdered milk is still the most widely purchased form of milk in the country, and would take more of the market share if the national dairy industry were not protected by import duties.

ANALYSIS AND IMPLICATIONS FOR INVC YEAR 2

The intrinsic value of all crops increased as physical assets relative to the rapid depreciation of the Malawi Kwacha fell against hard currencies through May of 2013. While subsequent macro-economic reform strengthened the Malawi Kwacha, continued liquidity issues from Government's past and current borrowing may have tightened lending to agricultural traders and processors. Their inventories always carry more financial risk than government treasury bills, and their grain stocks will have higher than normal price risk from exposure to potential public sector staple food imports during Malawi's first tripartite election campaign. Unrealistic minimum price "recommendations" by the Ministry of Agriculture, higher than normal market prices for maize quoted by the NFRA, and, very high prices for soybeans paid on a very small volume of crop by government-mandated buyers via ADMARC and Auction Holdings all reinforce the notion that markets will be disrupted by public policy decisions throughout the marketing season, and especially the traditional "hungry" season before Election Day.

Maize prices spiked to very high levels during the hungry period of early 2013, partly because of lack of transparency (public and private) on maize stock levels and public fear that the National Food

Reserve Agency strategic reserves from prior years had been depleted or were severely degraded in quality. National leadership did little to offset these fears, which resulted in: long-lines and rationed sales of maize at ADMARC depots; the exchange of sharp political barbs over the opacity of OPC PIPRaH and Joyce Banda Foundation-branded maize distribution; and, disruption of farmer organization-owned warehouses holding maize under warehouse receipts. Maize prices are still strong in Malawi, belying official projections (Round 2) of a 2012/2013 maize surplus of 358,804 metric tons or the released MoAFS Round 3 crop estimate released in August 2013 that reflects a surplus of 194,339 metric tons, only 54% of the Round 2 estimate. The maize prices may also reflect huge uncertainties in the market place about: currency valuation (physical commodities having more stable real value than cash); risks associated with input prices and financing government absorption of liquidity that has only recently eased; or, government and/or political direct intervention in either (or both) input and output marketplaces far ahead of the 2014 election date.

For example, compared to an August 2012 price of about $296/mt for maize in 2012, the September 2013 price ranges around $374/mt in major trading centers. Under normal conditions a 2% increase in total production and the announcement of a substantial year-on-year production surplus over consumption demand would not support a 26 percent price increase between the two seasons, especially when current white maize prices regionally are stable to lower, and SAFEX white maize forward contract prices are declining. Some market observers reason that maize (and groundnut) prices are higher than they should be at this time of the year, because the marketing season was delayed somewhat by heavy and late rains, and because cash is only now returning to the marketplace as government reduces its draw on liquidity in the banking system and banks start making loans to riskier sectors and products, creating a peak in competition for commodity purchase and related services. Malawi's NFRA is restocking the strategic grain reserve following the 2013 hungry period's reduction in stocks and discovery and disposal of substantial (more than 7,000 mt) quantities deteriorated or unfit maize stocks.

Our estimation of how farmers will generally allocate their land area for planting during the 2013/14 production year - which aligns with USAID's FY 2014 - is the following:

Maize: the proportion of maize planted relative to other crops on larger smallholder fields will increase at the expense of tobacco and cotton unless especially attractive incentives to producers are put in place and announced soon. The force of election year politics may sustain higher prices through the planting period, along with the likelihood that twice the amount of fertilizer and seed will be procured if both the FISP and the parallel loan financed input supply program to non-vulnerable households are implemented. A recent tender for 3,500 mt of additional storage space by the largest seed company in Malawi SeedCo, suggests that the dual farm input supply programs (vulnerable and non-vulnerable) will be undertaken in this election-year planting season.

Tobacco: a flat trend or a slight general reduction in surface area among larger INVC zone farmers unless strong incentives are put in place by tobacco companies.

Cotton: a general reduction in surface area in the cotton districts of southern Central and Southern Region INVC districts. The government's resources to incentivize production will not stretch this coming year from maize to cotton at any significant level, and private at-risk funding will be difficult to obtain.

Groundnuts: if current price levels are maintained through late September or October, surface area planted should increase again with substantial gains in Dedza (CADECOM grant) and Ntcheu (NASFAM) if tobacco area declines among the larger 3-acre farmers in the FtF Zone of Influence.

Common Beans/Sugarbeans: surface areas will be maintained because demand remains strong for the red-mottled sugarbeans in Malawi, Zambia, and the DRC, but good quality seed is still in short supply.

Soybeans: increased surface area from the supply side support through the National Export Strategy and tobacco diversification efforts in the northern ADD districts of FtF. Demand for Malawi's non-GMO soybean by the poultry feed and the soybean food processing industry in Malawi and in neighboring Mozambique is reported to remain strong despite rapidly decreasing prices for GMO soybeans in South Africa and around the world. Recent field visits to Balaka and Mangochi in NASFAM areas suggest that smallholders are impressed by gross and net returns from soybean production compared to pigeonpeas. There should be greater expansion of soybean plantings in FY2014, especially in Mangochi and Balaka.

Pigeon Peas: total planted surface area should remain about the same. Even where soybeans are promoted in the southern INVC districts, the demonstrations done by partners are combined with doubled-up legume production (soybean-pigeon pea and groundnut-pigeon pea as a best-bet soil fertility management practice). Our work planning with implementing partners includes the modification of procurement plans to include certified pigeon pea purchases if these cannot be provided by farmers from their own stocks

Dairy: scaling will be done through the addition of Zebu cows to the milking herd. Pure breed, Zebu, and cross-breed cow productivity will be increased through use of good feeding practices, winter fodder supply, improved heat synchrony and AI practices, and lactation stimulation using non-BST hormones.

This analysis confirms that the value chain selection and crop focus of FY2103 are still valid for 2014, barring any unforeseen changes in the weather and political outlook for the next production and marketing season. The doubled-up legume "best-bet" technology requires the addition of pigeon peas to derive full productivity benefits, adding a small increment to pigeon pea seed demand that should be met by farmer purchases from local markets.

INTRODUCTION TO TASKS, SUBTASKS AND ACTIVITIES

The Bridging Work Plan period has used Year One experience to re-set standards for partners in and preparations for the 2013/2014 season's value chain productivity and income achievements, as described in the introduction to the overall work plan. Improvements in training and extension materials on agronomic practices have been agreed in broad national consultations, including direct INVC grantees, but substantial content and training delivery issues remain INVC partners with grants will implement the shift in delivery of training to better adult-education approaches, practical demonstrations, and provision of adequate equipment, seeds, measuring devices, etc. in August and September for use in October during Lead Farmer to farmer training. An approach to fill the other gaps in training materials and standards has been developed and intersects with Component 5 activities. Behavior Change Communications (BCC) will be used to reinforce extension messages on crop and livestock productivity to promote the adoption and the application of recommended practices and management methods.

TASK 1: IMPROVE ACCESS TO QUALITY SEED AND OTHER AGRO-INPUTS

The core of the FTF-INVC work to improve access to quality seed and other inputs is formed by seed demand estimation, strong breeder and foundation seed programs, certified seed production and

commercialization, quality seed selection at the farm-recycling-level among associations, careful storage and germination testing of recycled seed by national farmer organizations and by clubs, and better linkage to agrodealers and their upstream suppliers. .

SUB-TASK 1: INCREASE/STRENGTHEN SEED SUPPLY

The improvement of access to quality seed and other agro-inputs will contribute to the outcomes of 15 percent yield gains for soybean and groundnuts and the 50 percent increase in milk yield per cow. In Year One four activities with Partners started the scaling-process, and these will be continued in Year Two:

- NASFAM purchased about 270 mt of certified Serenade soybean seed (a SeedCo Zambia variety of good productivity, large seed size, and good rust resistance that is approved for commercial release in Malawi) for distribution to farmers. Of this quantity about 131 mt of seed and accompanying rhizobium for inoculation was distributed to smallholders with an agreement to recover twice the quantity received by each farmer (25 kg recovered against 12.5 kg received). Approximately 139 mt of seed could not be distributed in time for the 2012/2013 planting season and was stored at three sites: SeedCo Kanengo; the NASFAM's Namwale AMC, and NASFMA's Nsipe AMC. All left-over soybean inoculum expired at the end of January 2013 and cannot be used to inoculate soybeans in the 2013/2014 season. After the first draft of our Annual Workplan had been submitted, we found that actual estimated recovery of soybeans from farmers by NSAFAM was 228 mt against a target of 306 mt. INVC inspection of the recovered soybean showed the following problems: t no grain sorting or cleaning had been done; some lots had substantial varietal mixing,;and, that substantial levels of immature and mechanically damaged seed were contained in the 50kg bags already marked with a label stating "FSU (NASFAM Farm Services Unit) INVC Seed Programme". We agreed with NASFAM in September 2013 to undertake a joint program of sampling of all "seed" stocks, with parallel sampling and seed germination tests to be performed by the Seed Services Unit (SSU) on an official basis and by INVC directly. INVC staff performed physical examination of stocks that estimated that about 15% of the recovered grain was not of seed quality. The conclusion was that about 111 mt at most of the recovered grain would meet minimum planting-seed standards. This quantity of seed permits about 8,800 farmers to receive seed from that recovered. About 79 mt of carryover certified seed remained in SeedCo's stores, permitting about 6,350 farmers to receive older but still viable certified Serenade seed. In addition, NASCOMEX purchased about 67 mt of soybean from the same farmers who received Serenade certified seed in FY 2013. Applying the same discount factor as for other recovered seed, NASCOMEX held about 57 mt of minimum standard seed , enough seed for about 4,600 smallholders. However, the availability of this seed for farmer distribution is in doubt, because this soybean is owned and controlled by NASCOMEX, not NASFAM. In addition, the farmers who received certified Serenade seed have probably retained some seed from the 2012/2013 crop because of its large-seed trait, however we have not been able to get verification of this speculation. It is too late to get a new USAID commodity waiver to purchase seed and distribute it to farmers before the planting date window closes in January 2014. INVC has asked NASFAM to purchase additional inoculum to ensure that farmers can inoculate the Serenade seed that they use this season. Inoculum could be purchased without a commodity waiver because it is not one of the commodities specified by USAID. NASFAM did not plan to provide all farmers with certified soybean seed and inoculum, (about half were going to get groundnut seed procured by NASFAM as part of NASFANM's counterpart contribution to the grant) but instead to maintain the quality of farm seed for onward distribution between farmers. However, the FY2013 experience leads us to conclude that there are systemic weaknesses in the seed recycling approach and that these weaknesses require substantial revisions to seed program

operations. DAI will provide STTA to work with implementing partners on a more robust seed strategy than is currently being applied by most NGOs and associations in Malawi.

- Under its grant, IITA contracted with third parties to multiply Tikolore soybean breeder seed to produce foundation seed, which in turn would have been planting during the 2013 winter season with irrigation to produce certified seed for sale and distribution to producers in the main 2013/14 rainy season. Tikolore soybean is adapted to smallholder use, because it uses native cowpea type Rhizobium to capture nitrogen from the atmosphere, enabling the it to outyield un-inoculated soybean varieties. IITA's contracted seed multiplier, the Clinton Development Institute, has provided only 1/3 of the expected seed output. Investigations are being conducted into the causes of this disappointing result. The huge shortfall in delivered soybean seed cuts our anticipated production increase from Tikolore in FY2015 from an added 30,000 mt to somewhere between 8 to 16,000 mt of grain in the FY2015 production season. It is too late to obtain USAID/W commodity approval to purchase addition Tikolore seed for multiplication in the 2013/2014. The yield increase should be on the order of 20% -25% among adopting farmers compared to uninoculated soybean varieties in smallholder conditions. IITA's grant includes their training of trainers (field staff of IPs) and a group of lead farmers from our IPs in the production management specific to to the Tikolore variety.

- The construction of breeder seed stores at Chitedze and the establishment of a revolving fund for soybean managed by IITA in coordination with DARS provide the physical conditions needed to maintain soybean seed health and vigor by permitting the multi-year storage of breeder seed to supply the critical path input for basic seed production of soybeans, groundnuts, and other pulses. The storage will help maintain breeder seed in quantities sufficient to recover from year-to-year variations in rain-fed production conditions for foundation seed. Therefore, it has the physical capacity to sustain and extend the impact of the Tikolore soybean and other improved soy and pulse varieties.

- NASFAM procured SeedCo Serenade soybean seed and associated soy-specific Bradyrhizobium inoculums. The inoculated Serenade seed produced well in FY 2013, convincing smallholders of soybean's value relative to other crops. NASFAM tried but failed to recovery twice the amount of the grain crop to be recycled as seed. Our FY 2014 work-planning sessions with NASFAM, CADECOM, FUM, and MMPA has emphasized the need for them to sample this recovered grain to assess its germination rate and seedling vigor before the end of September, in order to plan for seed to be recycled to the same or new farmers. If the sampled lots of recovered seed fail germination or vigor tests then INVC will insist that those lots be sold on the oilseed market, with the proceeds going to purchase new stocks of certified seed to maintain the productivity gains of the variety. (We note that the ratio of seed distributed to grain recovered would need to increase to 4-5 kg of grain for every 1 kg of seed lent to farmers. Otherwise, the revolving fund will be reduced to 1/4th to 1/5th of its original size in the succeeding year. This is not a viable model.) The yield increase of Serenade over less rust resistant varieties is about 15-20%. NASFAM targets 81,000 farmers in FY 2014. Most will now receive Serenade recycled seed, if testing currently underway shows that it meets good germination and vigor standards. Recycled seed can be used for three years if good germination and vigor is maintained. After that time new certified seed should be purchased to maintain productivity levels. Seed multiplication efforts will continue with farmer trainers using 99.8 MT of soy seed. NASFAM will use its own groundnut seed stocks in the 2013/14 growing season following germination testing. NASFAM expects to recover about 624 MT groundnut seed from its members in the INVC activity.

- CADECOM expanded its farmer reach with CG7 groundnut seed that has become the dominant variety grown for early season sale in most of the INVC zone of influence. CADECOM did not

procure CG7 in FY2013, but participated in researcher led-farmer managed best bet trials with CG7. Most CG7 (a high oil variety) is grown as a cash crop because of its good yield characteristics and consistent processor market demand. Most smallholder farmers retain the older, larger-seed Chalimbana variety for home storage, use, and local sale. They do so because of local market preference and because Chalimbana's lower oil content permits groundnut flour to be held and used for longer periods without developing rancidity. FUM put its sub-district level farmer outreach organization in place in FY2013. Its new farmer associations and members come primarily from the larger INVC smallholder farm size class who generally have a background in tobacco production, which enables them to obtain some production credit and directly purchase seed of soybean, groundnut, or pigeon pea from the market. Therefore, no INVC grant resources are used to capitalize a seed revolving fund with FUM, which provides the background for comparison of the sustainability of the two processes.

SUB-TASK 2: STRENGTHEN AND EXPAND SEED/INPUTS DISTRIBUTION SYSTEMS

Activity: Facilitate Seed Voucher System with Traders/Processors to support a soybean revolving fund

ICRISATs already-established, donor-funded Seed Revolving Fund supports groundnut breeder-foundation-certified seed production. INVC's work with IITA on Tikolore is intended to establish a similar, but less donor-dependent seed revolving fund for soybean, with a fund recovery business plan built on sales of basic seed to certified seed growers, supervision of same, some direct contracting of certified seed production, and the use of a seed voucher to enable processors to help stimulate the soybean revolving fund by paying a premium on deliveries of improved grain that has superior fats and oils and protein content. The shortfall in Tikolore foundation seed production may slow this process in FY2014, because the demonstration effect at the processor level of the higher oil and protein content of the Tikolore variety will be diluted by about 2/3rds. Fortunately, NASFAM will take up some Tikolore soy seed for production and purchase the oilseed output by its NASCOMEX commercial processing affiliate, enabling us to better detail the value proposition of a revolving fund that involves a substantial processor of soybean seed. Two other processing companies who backwards integrate towards input supply and who maintain buying operations in rural areas will be included in the seed revolving fund effort in FY 2014.

The implementing partners (IPs), namely FUM, NASFAM and CADECOM, will all participate in input/seed distribution to smallholder farmers in their areas of work, which will in turn enhance accessibility of quality seed to smallholder farmers. This year, seeds are expected to be made available to FtF-INVC beneficiaries in the target areas for the 2013/14 growing season early enough to ensure early planting which is critical for both soy bean and groundnut. NASFAM intended to recycle seed but encountered the shortfalls noted early. CADECOM will procure and distribute --- and, increasingly, have their farmer marketing associations and clusters directly purchase – groundnut seed in FY2014 with INVC supervision of seed quality. NASFAM farmers will use direct group purchases of seed facilitated by FUM.

Activity: Disseminate information on Tikolore seed and CG7 through production and distribution of flyers

During the bridging period, the project has focused on dissemination of extension information on Tikolore seed and Chitedze Groundnut 7 (CG7) through production and distribution of flyers and the sensitization of smallholder farmers on Tikolore and CG7 through training-of-trainers (IP field staff, DAEDOs, and others) and lead farmer training. IPs produced copies from DAES-approved master copies done in English for field supervisors and DAEDOs and done in Chichewa for lead farmers and farmers.

Activity: Sensitize small holder farmers on Tikolore and CG7

Field staff and lead farmers will sensitize farmers to Tikolore and CG7 varietal characteristics, seed quality, agronomy, harvesting, postharvest handling and marketing characteristic in seasonally-linked training sessions and demonstrations that started in September. DAES has done the packaging and translation of English-language flyers into Chichewa for distribution to farmers with low literacy. Training instructions to field staff and lead farmers will include encouragement of farmers to recruit literate friends or family to read the flyers if they encounter difficulties. SeedCo has its own flyers and advertisements for Zimbabwe-bred soybean varieties released for commercial sale in Malawi.

Activity: Facilitate seed distribution through briefing with agro-dealers

Agro-dealers fall into three general categories. The largest and most organized of the agro-dealers is located at boma and trading center shops that combine sale of food and consumer goods with farming inputs and tools. These agro-dealers are also seasonally engaged in the purchase and storage of cereals, grain legumes, and oilseeds traded or processed by their urban-based companies (Rab Processors, for example). The second set of agro-dealers is independent of processors, but is trained in the supply of agro-dealer goods and services to farmers, and may also be rural center aggregators. Many of these have been trained by Rumark. The third category of agro-dealers is generally small, mainly informal shopkeepers with little or no training on the inputs that they supply. INVC and IPs will focus on supplying flyers and other FTF materials on Tikolore, CG7, and pigeon peas and their agronomy to the first two groups of agro-dealers to better leverage the time of senior field staff. We will work with AGRA agro-dealer programs to identify the best ways to collaborate on the improvement of agro-dealer access to inputs.

Activity: Produce and disseminate agro-dealer profiles to farmers

INVC staff will use current knowledge of agro-dealers and additional information collected through the sensitization effort to prioritize the writing, production, and dissemination of agro-dealer profiles via email to the IPS (NASFAM, FUM, CADECOM, and MMPA). We will also encourage agro-dealers to participate in field officer and lead farmer trainings to expand their sales and service reach.

Activity: Facilitate linkage between dairy farmers and farm input suppliers

To facilitate linkage between farmers and farm input and vet suppliers, FtF INVC will work to improve input supply chains directly through MBGs, and, indirectly through private sector agro vet dealers linked to the MBGs. MMPA will explore the supply of feed, veterinary supplies and services to farmers through their MBG accounts that are linked to processor payment systems and establish a feed revolving fund to enable farmers to access inputs via loans. With public extension services being weak, agro vet services will be made more accessible to small scale dairy farmers, which should strengthen demand for these services and therefore promote growth.

During the Bridging Work Plan MMPA negotiated a feed supplier relationship between one MBG and a dairy processor to guarantee and make payment of individual member and MBG accounts. An additional 10 such agreements will be concluded in FY 2014.

MMPA is focused on reducing feed costs and improving their availability and quality. While it is examining several options to high-priced dairy mash, we expect that the larger gains to milk yields in the first half of FY 2014 will come from better watering and care of animals through the low season for milk demand and and improving the level of care given to the larger number of Zebu cows that are being recruited into the MBGs. Overall output should rise substantially even if average milk yield increases by only 20-30% this year, because the number of cows being milked daily for sale should increase substantially. The GIS census of households with Zebu cows or Zebu-Holstein and Zebu-

Jersey cows entering the milk collection program is underway and should be completed by the end of September 2013 and will permit projections of likely milk yields and corresponding total output in FY2014.

SUB-TASK 3: STRENGTHENING AGRO-DEALERS

Activity: Link agro-dealers with financial institutions

Processors and exporters with agro-dealer networks already manage linkages with some financial institutions. INVC support under Component 1 has increased the number of participating banks in warehouse receipts and forward contracts. This activity looks to the next level of agro-dealers to improve their ability to access inventory credit or bridging credit for their input and other traded goods. Rockefeller Fund and AGRA-funded support to agro-dealer networks has shown that loan products need to be adjusted to meet the cash flows of agro-dealers who generally have a large peak demand and cash flow at the beginning of the production year, followed by a sharp drop in revenue and cash flow, unless they develop additional production year services and engage in harvested crop aggregation, trading, and/or storage. Our focus in FY14 will be in linking activities in areas adjacent to processor/trader centers, where these may help to manage the risks associated with financing. OIBM and other micro-finance institutions will be the prospective partners for this effort.

Activity: Train agro-dealers in storage & distribution

Agro-dealer service business volume will only increase if their services add substantially more value than they cost to farmers or traders. First-tier agro-dealers organized as subsidiary operations under processors already make bucket- and bag-size purchases to aggregate 20-30 mt lots of maize, groundnuts, and pulses. They dispatch these lots to central storage facilities once or twice a week. Second-tier agro-dealers along the better secondary roads serve as aggregation points as well. The attractiveness of collection centers to feed a warehouse receipt system depends on their taking in well-graded, dried commodities that have low or no disease or insect presence, and maintaining that quality in storage until it is collected and transported to more secure, insured storage where either conditioning or fumigation can be done for long-term storage. INVC staff and IPs, working with ACE rural agents, will identify at least 200 second tier collection sites within 20-30 km distance of first-tier collection points. ACE and IPs will train them in grades, standards, receiving processes, site security, cleaning and sanitation, and management to reduce risks of pest, disease, rodent and bird infestation during storage.

TASK 2: INCREASE ACCESS TO NEW TECHNOLOGY AND MANAGEMENT PRACTICES

Our experience in harvest, postharvest, and marketing training in Year 1 programs with partners showed that -- despite lip-service paid to the use of adult-education approaches and interactive sessions -- most materials, instructor guidelines, and training of trainers are highly “class-room” oriented, paper based, with few –often no- hands-on exercises. The current training standard includes little reinforcement with in-field or market chain demonstrations using real tools and equipment, little or no transfer of basic calculation skills and rules of thumb essential to improving farmer practice, and no financial analysis of the costs and benefits, gross margins, opportunity costs, or risks of recommended changes in technologies or management practices. Close supervision of the quality of the content and process of Trainer to Lead Farmer and Lead Farmer to Farmer training is almost entirely lacking, outside of the higher unit value chains with stronger vertical integration (ie, tobacco, cotton, coffee, etc.). Shifting IP focus to driving good training content, methods, and materials to the farmer level is the major organizational change challenge that faces FtF-INVC.

SUB-TASK 1: IMPROVE ACCESS TO EFFECTIVE BEST BET (PRODUCTION) TECHNOLOGIES AND MANAGEMENT PRACTICES

Year 1 enabled INVC, IPs, and R&D cooperators to better understand the best bet technologies and management practices that appear to be suitable for uptake and/or adoption by FtF-INVC's target group, smallholder farmers. FtF-INVC will help support the IPs in extension delivery of technologies like the soy bean-pigeon pea doubled-up legume practice, recommended ridge spacing of 60 cm along with two row planting on wider ridges, micro-dosing, use of new varieties (Tikolore and CG7), and new harvesting and processing technologies into the focus FtF-INVC districts of Mchinji, Lilongwe, Dedza, Ntcheu, Mangochi, and Balaka. Planned activities that will help achieve the delivery of these training activities during this period are training of trainers supported by MSU/Africa RISING, production and dissemination of flyers on best bet technologies, on-farm demonstration plots, and exchange visits with farmers. These efforts will be implemented with the full support of the District Agriculture Development Office (DADO) and the Department Agricultural Extension Services (DAES) to ensure sustainability. Joint supervision on farmer fields with Agriculture Extension Development Officers (AEDOs) will enhance accuracy of extension messages being delivered, as farmers will receive technical assistance when it is needed and where it is applied, namely in their fields.

Activity: Produce 6 flyers on best bet technologies: 1) doubled-up legumes 2) soybean intercropping for fertility management 3) groundnut pest and disease management 4) groundnut agronomic practices 5) soybean seed quality 6) village soy processing

In Year One, INVC staff made field visits with IP supervisors and field staff to identify constraints and opportunities in the introduction and dissemination of best-bet technologies. We researched a variety of national, regional, and international public and private organizational sources to identify materials to combine with in-field measurements and photographs.

Activity: Distribute 60,000 flyers (10,000 per technology) on best bet technologies via IPs to lead farmers and farmer group members.

INVC value chain staff brings substantial experience from other crop extension and training programs. They have noted that English and Chichewa illiteracy can be a problem with written extension materials. INVC has focused on the development of well-illustrated training and extension materials and packaging and translation of English language materials into Chichewa framed for farmers by DAES. Past experience suggests that an average of about 65% of training participants can read the materials, but their general average reflects significant differences based upon gender, farm size, and EPA. During Year Two, INVC staff will work closely on the first roll-out of printed materials with IPs to identify content and language comprehension problems and seek remedies at the community level (more literate family members or friends) or at the systemic level of BCC.

Activity: Train producer groups in use of new technologies: varieties, production; harvesting; local processing technologies

These activities are detailed as deliverables under each of the IP grantees. Trainers from international and national organizations are currently training lead farmers in crop varieties and production technologies. Across the IPs 14,000 lead farmers will then train farmers in groups, reaching 150,000 farmers with practical training. Many stakeholders participated in training program content. INVC has directed implementing partners to increase field staff to facilitate all outreach activities and the deeper monitoring of this large number of farmers. Please refer to the M&E section of the Program Management section of this workplan.

Activity: Develop training manual for agronomic practices for groundnuts (completed Year One).

INVC collaborated with IFAD funded RLEEP/the Grain Legumes Trust and its many stakeholders to support the translation into Chichewa of the Groundnuts Manual. RLEEP funded the development of the manual in English during FY2013. FtF-INVC utilized the manual to extract relevant content to produce training leaflets and hand-outs for TOTs, lead farmers and farmers. INVC provided input and referenced the DAES production manual.

Activity: Facilitate production of training manual on soybean husbandry and post-harvest handling with IITA (completed Year One)

INVC staff have worked within a national training and extension harmonization framework to compile existing manuals and materials to draft two training manuals. Year One work concentrated on harvesting, postharvest handling and marketing. The bridging work plan period has completed the effort on pre-production and production agronomy technologies and practices. These manuals as revised will provide a new resource for training that attempts to shift training-of-trainer and lead farmer training from class-room approaches to hands-on demonstrations in the field, the storehouse, and the marketplace. The accompanying requirements for materials and equipment, and the logistics of their delivery, is a new and daunting task for trainers whose experience has been primarily oriented around flip-charts, manuals, and discussion session that cover an entire cropping season in one go. We cannot yet claim success in shifting all attitudes, comprehensively updating technology recommendations and training approaches for groundnuts and soybeans, or providing the full range of demonstrations needed to reshape smallholder training. Year Two will be a test at scale of the adaptability of trainers, IPS, and FTF-INVC to the new materials and methods. INVC will provide master copies certified by DAES to Implementing Partners for copying and distribution to their trainers, field supervisors, and the AEDOs with whom they collaborate.

Activity: Cost: Benefit Analysis under smallholder conditions for: 1. Ridge and in-row spacing/groundnuts and soybeans; 2. Doubled-Up Legumes (Groundnuts-Pigeon Pea;. Soybeans-Pigeon Pea; Groundnut-Soybean); 3. Mandela Cork for groundnut drying; 4. Micro-dosing Fertilizer; and 5. Dairy Forage Production

Farmers in Malawi should be able to compare the costs, returns, and opportunity costs of the adoption and use of new crop varieties, planting methods, soil fertility practices, weed management techniques, intercropping patterns, etc. Unfortunately, very little basic farm management analysis is done in Malawi at the smallholder level. MoAFS organizes annual data collection on cost of production and makes an annual pan-territorial, average cost of production estimate. Published research done in agricultural and agricultural economics journals provides economic analyses, but most compare entire cropping systems, rather than the partial enterprise budgets around technology decisions.

In Year One INVC staff have made substantial efforts to locate partial budgets so that gross margin analysis could be done of different technologies that were part and parcel of most technical and extension training manuals. INVC's project level M&E system measures gross margin on total sales, not on individual technologies or management practices. Since INVC is intended to scale proven technologies, it has been disappointing that little useful analysis was found that applies partial-budget analysis in ways that permit the development of extension materials. In the cases where financial ratios were reported there was no assessment of the opportunity cost of the techniques being extended. No risk analysis was found for any of the extended technologies. In Year Two, INVC staff will develop scopes of work for short-term technical assistance to develop partial budgets with gross margin analysis, opportunity cost assessment, and, when possible, at least qualitative review of the risks involved in adoption. Six analyses will be performed. Each one will include an analysis that compares likely gross margins and opportunity costs at the 1 acre farm level and the 3 acre farm level.

These analyses will be used to revise extension materials and training programs as they become available.

Activity: Facilitate production of video clips on agronomic practices for groundnut and soybean

INVC staff have remarked on the wide spread practices in farmer fields. Low-cost video clip development training was provided by USAID to a number of IP staff, along with some video equipment. INVC staff will work as facilitators with IPs to develop video clips made during demonstration on five of the preceding technologies for which gross margin analysis will be developed during Year 2. These include: 1) Rows and in-row spacing 2) Doubled-up legume planting systems 3) Harvest maturity index of groundnut 4) Dry down comparison of Mandela Cork versus heaps or windrows 5) Micro-dosing fertilizer versus broadcasting or furrow placement. Each production plan will be reviewed with the in-house BCC specialist and with DAES before production is done.

Activity: Train farmers in minimum storage and storage management standards

Good storage management starts before harvest and ends when store places or containers are cleaned and sanitized after the crop is sold or completely consumed. While ACE has developed training materials for warehouses and silos, and postharvest manuals with generic recommendations for groundnuts and soybeans exist, these do not cover the practical issues and decisions that smallholders have to make with limited resources. INVC staff, IPs, and research and extension organizations did intensive training, demonstration, and follow-up of on-farm and near-farm storage. These Year One lessons will be codified to improve the training of 150,000 farmers starting in the second quarter of Year Two.

Activity: Train farmers on post-harvest handling, grading and quality standards

Drying, grading, sorting, bagging, and weighing are essential to the preparation of a trade bag of grain or pulse for sale. Past work in Malawi in the USAID-funded Market Linkages Initiative showed that product offered by farmers and prices offered by vendors both improved following joint training of farmer and vendors on handling, grading and quality standards, along with demonstration of proper tarring and weighing of grain bags. In early 2013, the Ministry of Industry and Trade announced a series of agricultural trade regulation enforcement methods that outlawed the use of many types and brands of scales that failed to meet the MABS requirements. While ACE will execute joint training with its network of partners of ACE approved rural warehouses and collection points, they will not be able to cover all EPAs in FY 2014. ACE will provide training material master copies to IPs who will carry out training of 150,000 farmers on post-harvest handling, grading, quality standards, and accurate weighing of trade bags of grain crops.

Activity: Disseminate flyers on post-harvest handling and use of WRS on soy beans

Soybean post-harvest handling flyers in Chichewa produced by INVC with IP and DAES assistance during Year One will be provided as masters to IPs for dissemination to 1,875 Lead Farmers. ACE masters in Chichwea on the use of WRS on soybeans with be provided and distributed in the same way.

Activity: Produce low cost video on post-harvest handling and one on storage on soy beans

INVC staff will work with the IPs trained in low cost video to capture the demonstrations of postharvest handling and storage conditions and techniques at training sessions. These will be

compiled into two masters with the assistance of DAES and with the involvement of INVCs BCC specialist. These will be tested with audiences at 4 Market Information Points and with 50 MACs or marketing clusters before they are finalized. Copies of the master will be made by the IPS and TSPs as needed for their use.

SUB-TASK 2: IMPROVE ACCESS TO PROVEN MANAGEMENT PRACTICES IN THE DAIRY SECTOR

Activity: Identify and train 50 lead farmers to promote hands-on learning in 'open classrooms'

FtF-INVC will continue to support training programs for farmers through the identification of demonstration farms for each MBG it assists. Successful or exemplary farms with active farmers within each community will be identified and those willing to showcase their farms as demonstration farms will be supported to serve as a learning space. Selection of such demonstration farms will be determined through the MBG while utilizing the identified lead farmers. Fifty Lead farmers from 10 MBG's will be trained in animal housing, animal health, feeds and feeding, breeding and record keeping to improve management practices and incorporate fodder conservation technologies. Their farms will then become 'open classrooms' where other dairy producers will view the improved management practices and new technologies in operation. This learning environment will also foster interaction and information exchange between members of the group, promote lesson sharing, and create an atmosphere of mutual encouragement among members.

Activity: Train 1150 farmers on improved management practices and animal nutrition focusing on crop residue conservation and utilization

FtF-INVC has supported training of lead farmers on improved management practices and animal nutrition focusing on crop residue conservation and utilization as well as pasture establishment on rainy season crop land. A technical area of specific emphasis for FtF-INVC will be dry season feeding and nutrition. With the focus on maximizing performance of the existing dairy herd, adequate feeding and nutrition will be essential if animals are to produce to their full potential. The dry season spans from the post-harvest maize period until the rains return. Thus, farmers must find the means of feeding their dairy animals the recommended dry matter per animal per day through the dry season when forage availability is scarce. Technologies such as fodder banks, silage making, and utilization of crop residues such as maize stover and groundnut hay will alleviate the dry-season feeding challenges both by making better use of on-farm resources and reducing the time required to collect and transport fodder from distant locations. In Year 2, lead farmers from the original 5 MBGs targeted and new lead farmers from the new 5 MBGs will train their fellow MBGs in these technologies with MMPA assistance.

Activity: Source pasture development Information Education Communication (IEC) Materials from Dept. of Animal Health and Livestock Development and Bunda College

Dairy farmers are trained primarily in zero-grazing techniques to feed small (1-4) cow herds with cows and calves kept in shelters. Finding adequate dry- and early-rainy season forage of good quality is a constant problem. Most dry-season forage comes from dambos which contain a diversity of plant species. INVC staff will investigate the availability of scale-ready techniques to improve the quality and quantity of forage obtained in these zones, incorporating concerns of extraction sustainability and impact on the dambo water balance. The potential to underplant existing recession or irrigated fields with pasture legumes or grass will be examined. If robust technologies exist they will be incorporated into the following activities.

Activity: Develop flyers for agronomic practices for pasture crops for producers in all 10 MBGs.

At least one master flyer will be developed for subsequent copying and distribution by the MMPA. One will focus on pasture grass and legume agronomy, harvest, and postharvest handling in the upland main rainy season. If an environmentally sustainable, financially feasible technology exists for scaling-up quality and or quantity of use of native pasture species in the dambo's a second flyer will be developed. A third flyer will be developed, if an environmentally sustainable and financially feasible use of exotic pasture legumes on existing recessional or irrigated fields in the dambo.

Activity: Develop corresponding video clips for agronomic best bet practices for pasture crops for MBG, MMPA, and DALDH use.

INVC's Agricultural Productivity staff will work with MMPA to develop low cost video clips for up to three pasture agronomy technologies that reach the best-bet technology standards of being scalable across adapted agro-ecological zones among the smallholder farm sizes from 1 to 3 acre.

SUB-TASK 4: IMPROVE HERD GENETIC CHARACTERISTICS AND INCREASE NUMBER OF DAIRY ANIMALS TO INCREASE MILK AVAILABILITY

Activity: Support strengthening of artificial insemination (AI) service and provide technical assistance to MBG AI operations

FtF-INVC will support strengthening of artificial insemination (AI) services. The fastest way to bring about genetic improvement to a herd is by using AI with bulls of high genetic merit for milk production. AI has the advantage over natural service in that the transmission of venereal diseases from bull to cow or heifer is avoided if care is taken to use healthy semen donors. While the fertility obtained from AI is influenced by factors related to the animal and the inseminator, the final determinant of the success of an AI service is the AI technician. Therefore refresher training for 10 current AI technicians will be conducted to strengthen their skills in personal factors such as inherent dexterity, motivation and the regularity of performing AI. 10 New AI technicians will also be trained and deployed in MBGs to improve AI service delivery capacity and ensure that the service is readily accessible by farmers. AI kits will be procured to be used by the additional technicians to be trained. AI services will be promoted through cost reduction and sensitization campaigns.

FtF-INVC, working in collaboration with MMPA, will embark upon a cross-breeding program tapping the under-exploited resource constituted by locally-available zebu animals. Using existing AI services and exotic dairy breed semen, the goal of this activity will be to increase the number of improved dairy animals by crossbreeding zebu animals with exotic dairy breeds with higher milk productivity.

FtF-INVC will assist MMPA to institute a herd book for each MBG to improve collection and utilization of information on its herd genetics and learn how to better use the herd book in conjunction with improved farm-level data collection to improve herd performance and to increase milk production.

In addition to improving performance of the existing dairy herd, activities will be implemented to increase the number of dairy animals within the targeted MBGs through a new membership drive. The limited number of improved dairy animals is a key constraint to increasing the number of animals available for purchase or distribution to new farmers. The preferred way forward to promote dairy herd expansion is via a cross-breeding program that takes advantage of the cows in the free-ranging zebu herd. By inseminating selected animals in this herd with semen from proven animals, the number of animals with improved genetic stock can be increased rapidly.

TASK 3: IMPROVE ACCESS TO EFFECTIVE ADVISORY EXTENSION SERVICES AND INFORMATION

SUB-TASK 2: USE ICT IN STIMULATING PRODUCTIVITY AND VALUE CHAIN DEVELOPMENT (DAIRY)

Activity: Facilitate utilization of ICT in the dissemination of technical messages and market information

In Year One, INVC and MMPA investigated three areas in which ICT could contribute to the dairy sector: 1) improved management of data and information; 2) improved services including marketing and improved learning; and 3) capacity development. The most obvious application of ICT in livestock services is the use of the cellphone to disseminate information. The cellphone enables farmers to inform veterinary services agents about animal disease or injury and notify artificial insemination technicians about cow heat. Most MBG members have access to mobile phone and a better cash flow to pay for airtime units. During the bridging workplan period, MMPA linked 610 farmers to the ESOKO information system that provides information on market prices and a platform for delivering extension "push" messages on dairy animal husbandry, veterinary notices, feed availability and prices, etc. In Year Two, MMPA will link an additional 860 dairy farmers to the system, about 75% of the farmers in 3 Year-One and 5 Year- Two MBGs.

TASK 4: PROMOTE RISK MITIGATION EFFORTS

SUB-TASK 2: DEVELOP THE ENVIRONMENTAL MANAGEMENT AND MONITORING PLAN (EMMP)

The nature of FtF-INVC's activities require that the project complies with USG 22CFR216. In compliance, FtF-INVC developed and submitted an Environmental Mitigation and Monitoring Plan (EMMP) for USAID/Malawi's approval. All grants and subcontracts will incorporate environmental review that complies with the "negative determination with conditions" findings of the EMMP.

Grantees will be made aware of any mitigating measures that are needed and the mandatory requirement for them to be put in place. Periodic monitoring will ensure that EMMP mitigation procedures are followed. The IPs were briefed on the EMMP at the August work planning sessions. TSPs and BDS suppliers will be briefed before the conclusion of the bridging work plan period. All partners receiving financial support from FTF INVC partners will review their activities for potential environmental effects, screen the activities using screening forms, and prepare the, documentation needed for environmental clearance. INVC staff will undertake periodic reviews of partner activities to ensure compliance with the required conditions or mitigation activities.

Table 5: Component 2 - Improving Productivity

Planned Activities	Objectively Verifiable Indicators	Means of Verification	FY 2014						Responsible Person	Assumptions	Risks
			Quarter 1			Q2	Q3	Q4			
			O	N	D						
Task 1: Improve Access to Quality Seed and Other Agro-Inputs											
Sub-Task 1: Increase/Strengthen Seed Supply											
Facilitate Seed Voucher System with Traders/Processors	MK or $ soybean seed premium returned to revolving fund for foundation seed multiplication	Voucher redemption; Accounts of Seed Revolving Fund							IITA + INVC	Value can be demonstrated to processors	Volume of Tikolore too small to bear costs of voucher system
Support multiplication of certified Tikolore seed from 6.67 MT of Foundation seed (33% of expected amount in FY 2013 Workplan)	Minimum of 500 mt of certified seed (half of FY 2013 available foundation seed planted in winter season under irrigation)	Contracts with multipliers, certificate from Seed Service, field visits							IITA + DARS, Ag Producitvity Spec INC	IITA finds seed producers and traders willing to participate. Irrigated winter/spring production conditions are clement.	Insects destroy irrigated crop. Theft of crop during winter season.
Support multiplication of certified Tikolore seed from 6.67 MT of Foundation seed (33% of expected amount in FY 2013 Workplan)	Minimum of 500 mt of certified seed for FY2015 sales and distribution (half of FY2013 available foundation seed planted in rainy season)	Contracts with multipliers, certificate from Seed Service, field visits							IITA + DARS, Ag Producitvity Spec INC	Seed producers and seed traders willing to participate	Drought or excessive rainfall during main rainfed growing season
Train lead farmers and farmers on Tikolore and CG7	Lead farmers and smallholder farmers trained (gender disaggregated)	Training attendance reports show names,signature or thumb print and mark,							IPs + INVC Ag Productivity and Soy VC Specialist + Groundut VC	Timely Tikolore and CG7 materials and TOT address gaps identified in FY2013.	Dilution of training messages in cascaded training approach

Planned Activities	Objectively Verifiable Indicators	Means of Verification	FY 2014						Responsible Person	Assumptions	Risks
			Quarter 1			Q2	Q3	Q4			
			O	N	D						
		and gender of farmers trained							Specialsit + IITA training input	Logistic and material support for training at both levels.	
Input/seed distribution to smallholder farmers	Quantity of inputs distributed	Input distribution record showing # of farmers and quantities received							IPs + IITA	Certified seed of Tikolore, CG7, and SeedCo Serenade available in sufficient quantity; financing of other inputs available	Recovered farmer soy and groundnut "seed" fails germination and vigor tests; FISP and parallel ISP reduce ICRISAT-based and SeedCo seed Stocks to replace low germination test recovered seed
Construct breeder seed storage facilities for IITA and DARS at Chitedze	Two storage facilities constructed	Site visit, facility commissioning report, site visit report on use							IITA + DARS	Funds and contractor available	Contractor performance or equipment procurement delayed
Recruit soy bean seed system specialist	One specialist recruited	Work contract signed							IITA	Qualified candidate is available	No qualified candidate available
Establish seed revolving fund to sustain production of basic seed	One Cost Center established	MOUs and contracts							IITA	Funds available	Small Tikolore winter seed production reduces income needed to produce next basic/foundation seed crop in main season
Sub-Task 2: Strengthen and Expand Seed/Inputs Distribution Systems											
Disseminate information on	# of flyers produced	Flyer master in English; Flyer							IPs, IITA + DAES	Farmers able to read print	Printer fails to deliver. IP fails to

Planned Activities	Objectively Verifiable Indicators	Means of Verification	FY 2014						Responsible Person	Assumptions	Risks
			Quarter 1			Q2	Q3	Q4			
			O	N	D						
Tikolore seed and CG7 through production and distribution of flyers		master in Chichewa; Printer's flyer proof in Chichewa; Field visits to farmer training sessions								messages	distribute and supervise push down through field officers and lead farmers. Mitigate through Radio?
Sensitize small holder farmers on Tikolore and CG7	# of farmers sensitized	Training and demonstration reports from IPs							IPs, IITA + DAES	Tikolore and CG7 seed available and affordable for farmers to buy	Failure of upstream certified seed multiplication
Sub-Task 3: Strengthening agro-dealers											
Link agro-dealers with financial institutions	# Linkages established; loan volume	Briefing memo to TAMIS; Loan contracts signed between agro-dealers & financial institutions verified by dealer							FtF INVC + ACE	Financial institutions' credit committees approve input or inventory and/or warehouse receipt finance	Liquidity constraints from excessive Government borrowing reduce loan capital availability; Agrodealer shops qualify for risk and theft insurance
Train agro-dealers in storage & distribution	# Agro-dealers trained	Training reports show # trained; spot check of records by INVC M&E							FtF INVC + ACE	Business plan shows improved cash flow and profits to crop storage and sales activity	As above
Task 2: Increase Access to New Technology and Management Practices											
Sub-Task 1: Improve Access to Effective Best Bet (Production) Technologies and Management Practices											
Produce flyers on best bet technologies: 1) doubled-up legumes 2)	6 master flyers produced in English and Chichew	Flyer master in English; Flyer master in Chichewa;							FtF INVC, IITA + IPs	Flyers endorsed by DAES (MoAFS),	Printer fails to deliver. IP fails to distribute and supervise push down through field

Planned Activities	Objectively Verifiable Indicators	Means of Verification	FY 2014						Responsible Person	Assumptions	Risks
			Quarter 1			Q2	Q3	Q4			
			O	N	D						
soybean intercropping for fertility management 3) groundnut pest and disease management 4) groundnut agronomic practices 5) soybean seed quality 6) village soy procesing											officers and lead farmers. Mitigate through Radio?
Distribute flyers on best bet technologies	65% of farmers trained receive leaflets	Printer's flyer proof in Chichewa; IP records of orders and receipts; IP records of distribution to field offices, trainers; Field visits to farmer training sessions; M&E spot checking							IPS	Flyers endorsed by DAES (MoAFS), Farmers are able to read or get children to read to them	Printer fails to deliver. IP fails to distribute and supervise push down through field officers and lead farmers. Mitigate through Radio?
Train producer groups in use of new technologies: varieties, production; harvesting; local processing technologies	15,000 producer groups trained 4 times in year. 60,000 Lead Farmers trained	IP training reports confirmed by training attendance sheets and m&E spot checks							IPs	IPs & IITA have funding for training the groups and carefully planned TOT and material provision	Rainy season access, Lead Farmer fatigue
Cost benefit analysis/partial budgets and	Cost:benefit/partial budgets with opportunity cost	INVC STTA reports and IP meeting							STTA of INVC and IP's	STTA Budget Availability	Controversy if financial analysis contradicts

Planned Activities	Objectively Verifiable Indicators	Means of Verification	FY 2014						Responsible Person	Assumptions	Risks
			Quarter 1			Q2	Q3	Q4			
			O	N	D						
opportunity cost analysis for: 1. Ridge and in-row spacing/groundnuts and soybeans 2. Doubled-up legume 3. Mandela Cork 4. Microdosing Fertilizer 5. Dairy Forage Production	analysis produced as report and powerpoint presentations made to IP's; analyses incorporated into training flyers and manuals	attendance records and minutes. Training materials modified									researcher/Ministry belief system. Range of farmer practices too great to good general analysis of opportunity costs
Train farmers in minimum storage and storage management standards	150,000 Farmers trained	Training reports from IP's							IP's	Lead Farmers trained, materials and logistics in place Farmers literate in Chichewa or family access to reader	Low female literacy
Train farmers on post-harvest handling, grading and quality standards	150,000 Farmers trained	Training reports from IPs							IP's	Lead Farmers trained, materials and logistics in place Farmers literate in Chichewa or family access to reader	Low female literacy
Disseminate flyers on post-harvest handling and use of WRS on soy beans	25,000 Fliers disseminated	Monthly Reports of IP's							IP's	Lead Farmers trained, materials and logistics in place Farmers literate in Chichewa or family access to reader	Low female literacy
Produce low cost video on post-	Two Low cost video on soy	INVC Quarterly Reports,							FtF INVC and IP's and ACE	DAES approval of technical	Wasted effort if not integrated into IP

Planned Activities	Objectively Verifiable Indicators	Means of Verification	FY 2014						Responsible Person	Assumptions	Risks
			Quarter 1			Q2	Q3	Q4			
			O	N	D						
harvest handling and one on storage on soy beans	bean post-harvest handling and storage produced and tested at 4 MIPs and 50 MACS or Clusters	Monthly Reports of IP's								content	programs or television programs?
Task 1: Improve Access to Quality Seed and Other Agro-Inputs											
Sub-Task 2: Strengthen and Expand Seed/Inputs Distribution Systems.											
Facilitate linkage between dairy farmers and farm input suppliers	Three (3) Input supply partnership developed between MMPA, input suppliers, MBGs and dairy processors to reduce payment defaults.	MMPA reports on number of contracts signed between Processors and MBGs and Processors and Input Suppliers							MMPA and partner	Input suppliers willingness to partner with producer groups	High cost inflation, weak milk prices, or poor payment by MBGs breaks deal
Task 2: Increase Access to New Technology and Management Practices											
Sub-Task 2: Improve Access to Proven Technology and Management Practices in Dairy Sector											
Source pasture development Information Education Communication (IEC) Materials from Dept. of Animal Health and Livestock Development and Bunda College	IEC Publications on Forage Grasses, Forage Legumes, and Dambo Cut&Carry and Pasture Management identified and obtained. Bunda College and or ILRI-Malawi research documents on dambo pasture	Quarterly reports of INVC Agricultural Productivity Specialist							INVC + MMPA	R&D has resulted in technologies and management pactices with positive gross margins and low opportunity costs that fit INVC scaling requirements.	Scaleable technologies and management practices not yet developed for dairy use. In this case, activity under this subtask stops.

Planned Activities	Objectively Verifiable Indicators	Means of Verification	FY 2014						Responsible Person	Assumptions	Risks
			Quarter 1			Q2	Q3	Q4			
			O	N	D						
	management and improved indentified and obtained.										
Develop flyers for agronomic practices for pasture crops	4 master flyers, printed and distributed to members of 10 MBGs	Flyer master in English; Flyer master in Chichewa; Printer's flyer proof in Chichewa; Field visits to farmer training sessions							INVC + MMPA	DALDH and DAES endorse.	Printer fails to deliver. MMPA fails to organize timely logistics.
Develop video clips for agronomic best bet practices for pasture crops	4 low-cost video clips produced and shown at least twice at each of 10 MBGs	Quarterly reports of INVC Agricultural Productivity Specialist and MMPA							INVC + MMPA	Videos endorsed by DAES (MoAFS), Farmers are able to read or get children to read to them	Viewing or projection equipment fails or is unavailable. Mitigation is to offer to TV stations.
Sub-Task 4: Improve herd genetic characteristics and increase number of Dairy animals to Increase Milk Availability											
Support strengthening of artificial insemination (AI) service and provide technical assistance to MBG AI operations	10 AI technicians trained in breeding	Training report							MMPA	Farmer heat detection is accurate/heat synchronization in dairy herds and AI technicians receive timely delivery of frozen semen and timely payment of premiums for successful pregnancy	Synchrony fails, animal condition is weak, liquid Nitrogen generator suffers breakdown, or semen straws allowed to thaw too soon, AI tech improperly positions semen
	10 AI kits procured and supplied to MBG for AI Technician use	AI kits inventory report of AI supervisor in MMPA quarterly report									
	Successful pregnancy rates improves from 1 pregnancy in 4 services to 1 in	MMPA quarterly reports									

Planned Activities	Objectively Verifiable Indicators	Means of Verification	FY 2014						Responsible Person	Assumptions	Risks
			Quarter 1			Q2	Q3	Q4			
			O	N	D						
	2 services										
Sub-Task 2: Improve management practices in the dairy sector											
Identify lead farmers to promote hands-on learning in 'open classrooms'	50 Lead farmers identified and trained	MMPA Quarterly Report							MMPA	Farmers demand training for improved dairy management practices	Milk prices paid by processors falls with strengthening MK, reducing incentive to increase output
Train farmers on improved management practices and animal nutrition focusing on crop residue conservation and utilization	1150 Farmers receive specialized training in good dairy production practices, crop residue conservation and utilization	MMPA Quarterly Report, M&E Coordinator Sample Check of Training Records							MMPA	Training of Lead Farmers Complete on time, Availability of crop residue for silage, baleage, hayleage training	As above cell, and opportunity cost of using crop residue for feed compared to other uses may be too high
Task 5: Improve Access to Effective Advisory Extension Services and Information											
Sub-Task 2: Use ICT in stimulating productivity and value chain development											
Facilitate utilization of ICT in the dissemination of technical messages and market information	75% (860) of farmers with mobile phones registered on ESOKO information platform or lower cost service	MMPA Reports, data quality via ESOKO invoicing records MMPA and CREMPA							MMPA	Farmers have access to mobile phone service	Farmers find service cost too high relative to value delivered. Mitigation may be to use lower costs SMS service.

COMPONENT 3: IMPROVING COMMUNITY CAPACITY TO PREVENT UNDER-NUTRITION

The Improving Community Capacity to Prevent Under-Nutrition Component 3 works to prevent stunting in children younger than five years of age by rapidly establishing and strengthening community based structures to accelerate a behavior-centered approach to increase the adoption of priority nutrition practices by pregnant and lactating women and children. Central elements are improving access to community-based nutrition services and implementation of a dynamic multiple-level behavior change communication (BCC) approach. Nkhoma Hospital and Pakachere Institute of Health and Development Communication serve as technical service providers on nutrition and BCC respectively, utilizing community-based care group structures in NASFAM and FUM as linkage. FtF-INVC provides extensive support and oversight to these technical service providers while concurrently executing a capacity development plan. It is envisioned that demand for the high quality service provision in community nutrition and BCC will be generated among and beyond the FtF-INVC partnership and that agricultural value chain partners will increasingly seek these specialized services directly. A unique feature of the FtF-INVC model is the merging of traditionally distinct or "siloed" delivery strategies together into existing community structures. This is an innovation in the delivery of integrated program strategies in the community. Community-based health and nutrition oriented care groups will be established within agriculture/value chain oriented farmer groups at community level. Care group structures will be formed in the gender and social committees of the farmer groups in NASFAM and FUM at Group Action Committee and cluster levels respectively as well as the entire EPAs. FtF-INVC implementing partners (IPs) NASFAM and FUM are the geographic co-partners leading the farmer group initiatives. A total of (17) EPAs have been identified in Lilongwe and Mchinji districts where NASFAM and FUM are currently working and will be expanding to for agriculture strategies.

To test whether the FTF-INVC linked agriculture value chain & nutrition activities improve child nutritional status (reduce stunting) to a greater extent than the agriculture value chain activities alone, UNC/FEEDBACK will conduct an impact evaluation. They will randomly select an additional 60+ locations and randomly allocate them to receive either the agriculture value chain & nutrition activities or the agriculture value chain activities only. For the 30+ areas in which the nutrition activities will begin, FTF-INVC will assist Nkhoma and Pakachere in the preparation and the implementation in these new areas.

FTF-INVC support and oversight of the technical service provision by Nkhoma and Pakachere will have the following features:

- Design and implement a quality assurance system to regularly assess progress of the implementation actors (promoters, care group volunteers, lead mothers of the care groups, advisors to the homestead gardens and any others) to monitor the extent to which the nutrition messages are being disseminated and activities conducted. Any challenges detected by the monitoring will be identified and addressed.
- Design and implement a systematic way to regularly monitor the extent to which end-users are understanding and acting upon the nutrition messages and activities. Any challenges detected by

the monitoring will be probed, analyzed, and adjustments to the nutrition messages and activities made.

- Monitor and continually seek ways to enhance the agriculture-nutrition linkage through the combined roles of a GAC member/promoter.
- Coordinate with UNC/FEEDBACK and the impact evaluation as needed.
- Identify the specific STTA tasks needed to support and oversee Component 3 activities.

The recent bridging period (April-September 2013) in Malawi FtF-INVC was highlighted by the successful completion and award of grant agreements for the technical service providers, Nkhoma Hospital and Pakachere Institute of Health and Development Communication. This was an important achievement that took more time and technical assistance than originally planned. While this planning phase was lengthy, it allowed for more time to guide and train both partners in proposal development, grant management, organizational core capacity strengthening, and to gain business clarity. It also allowed us to facilitate relationship building between technical service providers and key implementing partners, especially NASFAM and FUM for nutrition integration. This further provided the opportunity for FtF-INVC to develop relationships with technical service providers and concretize implementation plans carefully, clarifying purpose and process of nutrition integration. We believe that the increased time spent in planning will transition into a rapid roll-out of program implementation as both implementing partners and technical service providers better understand their roles in nutrition integration process. TSPs have now recruited core FtF-INVC project staff (e.g. Nkhoma Hospital have hired nutrition coordinators and nutrition assistants). Technical service providers have also completed procurement of most capital items such as vehicles, motorcycles, weighing scales; collaborated with ministry of health and sourced Mid Upper Arm Circumference (MUAC) tapes to be used for nutrition screening at community level; initiated community mobilizations and nutrition sensitization sessions in target EPAs to recruit the promoter level of the care group structures in the implementing partners structure. Through Pakachere, FtF-INVC has advanced the roll-out of the BCC strategy through production of training documents and preliminary education products on nutrition and agriculture value chains (radio programs, jingles, etc.). Pakachere has furthermore identified its theatre group members, which will be used to mentor other drama groups for interactive theatre performances on nutrition and agriculture value chains. FtF-INVC will use theatre for development as one of the approaches in BCC because it allows for instant feedback from the audiences on the messages disseminated; and thereby affording community members access to nutrition and agriculture value chains messages regardless of their literacy levels.

Nkhoma Hospital and Pakachere Institute of Health and Development Communication are well aware of the accelerated implementation plan that is needed to achieve objectives in Y2 and beyond. The technical service providers recently went through a facilitated planning exercise to better ensure that factors such as seasonality and the priorities of other implementing partners were taken into consideration. As a result, initially the service providers had potentially overcommitted themselves to deliverables in the first quarter of Y2 and some of the deliverables were spread out over the first two quarters of the year. FtF-INVC has attempted to maintain ambitious goals, yet also be realistic in terms of implementation and potential conflicts. Major activities by TSPs have been establishing structures/systems such as mobilizations and community sensitizations for recruitment of project staff, promoter level of care group structure and procurement of project equipment. Below, we present the FtF-INVC nutrition program elements.

TASK 1: IMPROVE KEY NUTRITION-RELATED BEHAVIORS (ESSENTIAL NUTRITION ACTIONS) WITHIN HOUSEHOLDS

SUB-TASK 1: INVESTIGATE SELECT BEHAVIOR DETERMINANTS TO IMPROVE THE BEHAVIOR CHANGE AND COMMUNICATION STRATEGY

The FtF-INVC Behavior Change and Communication strategy demands for improved nutrition among different stakeholders (e.g. farmers, local leaders, health care providers, caregivers and/or community-level decision makers) through the following steps including:

- Situation assessment and identification of key practices;
- Formative research to identify locally appropriate recommendations, factors that enhance and solutions to barriers (as necessary);
- Selection, adaptation and/or pre-testing of key messages that promote do-able actions (as needed);
- Adaptation and development of materials;
- Dissemination of the content through multiple channels and contacts; and
- Monitoring/feedback and adaptation

In Year 1, FtF-INVC completed or made progress on each of the steps above and will continue to advance the strategy in Y2. The project completed an in-depth situational analysis of the nutrition interventions most relevant to the FtF-INVC project and identified a comprehensive set of nutrition practices relevant to the achievement of program objectives. FtF-INVC also developed a Behavior Change Strategy document to guide implementation. Preparatory work was carried out by Pakachere and Nkhoma to identify actors who influence nutrition and feeding practices. Pakachere drafted two (2) skill-based tools. FtF-INVC furthermore facilitated meetings to prioritize the key behaviors that will be focused upon first in for formative research, as a means to ensure that priority practices are those more directly related to prevention of stunting. So as to not duplicate past efforts in Malawi (e.g. Consulting with Caregivers study by Bunda College 2011 with financial support from USAID funded IYCN project, SUN), team members additionally collected BCC relevant background documents and tools (both internal and external to Malawi) to aid the implementation of the BCC component.

In the first quarters of Year 2, FtF-INVC continues moving forward to support Pakachere to conduct targeted formative research focused on exclusive breast feeding, age appropriate initiation of complementary feeding, feeding frequency and dietary diversity, and nutrition behaviors which have been identified to focus on initially. The formative research assists in determining the unique barriers to the adoption of exclusive breast feeding and dietary diversity in the zone of influence. The effort will explore barriers or factors that affect behaviors that contribute to good health and nutrition practiced by certain individuals while others in the same locality with same resources do not practice them. Efforts have been taken not to duplicate earlier efforts but to look into practices that have not been studied carefully to date. Formative research methods will include the positive deviance inquiry (PDIs)[1] method and market surveys. The research will also explore the acceptability and feasibility of adopting a new behavior, clarify specific target audiences, develop convincing messages for each audience, confirm message delivery channels, and set an ideal frequency of exposure to the message.

Results of the formative research will also be used to analyze recommendations on the selected infant and young child feeding practices (with a current focus on diversity and the soya,

[1] Sternin et al, Designing a Community-Based Nutrition Program Using the Hearth Model and the Positive Deviance Approach, Save the Children, December 1998.

groundnuts/legumes, and dairy). FtF-INVC has drawn upon results of previous 24-hour recall surveys to confirm consumption patterns in target areas, including the Malawi Demographic and Health Survey (MDHS 2010). The FtF-INVC focus on the value chain foods is a new area of formative research for Malawi. The project seeks insights into how to better improve knowledge and use of these in the dietary practices. Concurrently, FtF-INVC is addressing access and availability issues under other components of the project. By adding these high-nutrient value chains foods into the diets of targeted vulnerable groups of pregnant and lactating women and children six-to 24 months, FtF-INVC envisions a marked improvement in nutrient consumption, dietary diversity and prevention of child stunting. Better understanding of determinants and applying those lessons to the current BCC approach will contribute to program achievements. To facilitate the rapid roll-out of the BCC approach, FtF-INVC envisions bringing in short-term technical assistance to support Pakachere at critical points to aid roll-out of the strategy.

SUB-TASK 2: IMPLEMENT THE BEHAVIOR CHANGE COMMUNICATION (BCC) APPROACH- COMMUNITY EMPHASIS AND CREATIVE MEDIA STRATEGIES

FtF-INVC developed Behavior Change Communication Strategy (2012) in consultation with partners as a key deliverable in Y1 implementation. During the FY2014 period, FtF-INVC will facilitate the roll-out of BCC strategy in Lilongwe and Mchinji, two districts where the integration of nutrition in value chains will be implemented. The rolling out of the BCC will also address emerging issues that will come from the series of positive deviance inquires to be carried in some communities in the districts. Incoming program experiences, unanticipated nutrition data, or other on-the-ground factors may lead to refinement of the BCC strategy, as is necessary and feasible.

Implementation of the BCC strategy will be conducted by Pakachere and Nkhoma Hospital. The implementation of the strategy will largely be accomplished through interpersonal communication and peer contact through care groups in the Care Group Model and reinforced via a range of creative contacts via posters, theatre for development, radio messages and audio/visual shows as discussed under Sub-Task 3 below. The Essential Nutrition Action messages modified into existing SUN materials are immediately being used within the Care Group structure. Based on the limiting factors in the local context (such as sub-optimal complementary feeding), priority messages in nutrition, focusing on child feeding, caring and health seeking, as well as in sanitation and hygiene practices will be promoted. Flipcharts and counseling cards corresponding to the health and nutrition messages recommended by the Department of Nutrition, HIV and AIDS (DNHA) in the Office of the President and Cabinet will be used (and a selection pre-tested if necessary).

Nutrition Assistants, Care Group Promoters and care group volunteers will be trained on health and nutrition education messages and methods through theory-based and practical sessions, exposure to the different health and nutrition training modules and their respective flipcharts, and through education session checklists and monitoring tools. BCC messages will focus on the Malawi SUN program (1000 special days) that encompasses a set of proven interventions that contribute to preventing stunting and mortality. The messages will focus on breastfeeding practices, optimal complementary feeding practices, feeding during illness and after illness, optimal nutrition practices before and during pregnancy, optimal nutritional practices during lactation, proper sanitation and hygienic practices, and home management of diarrhea disease.

SUB-TASK 3: DEVELOP RADIO PROGRAMS AND DISCUSSIONS

As part of BCC implementation through mass media, FtF-INVC will produce and air series of radio programs addressing specific agriculture value chains and nutrition behaviors. The specific behaviors to be addressed in the programs will be those prioritized in the BCC roll-out and many will be

informed through planned formative research to be conducted in the communities where nutrition interventions are implemented. The programs will be in different formats that include features, magazines, panel discussions and phone-in with varying lengths ranging from 15 to 20 minutes each. The programs will be aired on some selected national and specific community radio stations where FtF-INVC project is implemented. A total of 8 programs will be produced, at least 4 programs every 6 months; and a total of 24 programs will be aired (including repeats). FtF-INVC plans to air the program at an appropriate time when they can have a larger listenership from the intended audiences in the zone of influence in Lilongwe and Mchinji districts.

SUB-TASK 4: AIR NUTRITION RADIO JINGLES

FtF-INVC will produce and air 4 new jingles (1 per quarter) highlighting specific nutrition behaviors drawn from existing materials from the Scaling Up Nutrition (SUN). Wherever possible, as needed some of the jingle messages may be refined by formative research findings. Each jingle will be up to one (1) minute each. Up to 365 jingles (1 jingle daily including repeats for 1 year) will be aired on both national and community radio station. During the Y1 bridge period, a jingle promoting exclusive breastfeeding was finalized and aired.

SUB-TASK 5: CONDUCT THEATRE FOR DEVELOPMENT STRATEGY

An additional delivery strategy to reinforce BCC is via the development and showing of Theatre for Development (TFD) performances, where priority nutrition and value chain information will be shared in a theatre format. Pakachere is leading this strategy and has identified its theatre group members, the Pakachere Travelling Theatre group, who will mentor community-based drama groups for inter-active theatre performances on nutrition and agriculture value chains. Community mobilization has commenced to map and identify TFD performers who will be formed into drama groups. One drama group per EPA will be formed and it is expected that a total of17 groups will be formed covering Lilongwe and Mchinji districts. Over the year, these community-based drama groups will be trained and deliver a total of 300 performances on key topics. The Pakachere Travelling Theatre group will additionally deliver 120 TFD performances.

SUB-TASK 6: DEVELOP INTERACTIVE AUDIO-VISUAL SHOWS/CAMPAIGNS

During Y1 (December 2012), USAID, with the assistance of FtF-INVC, conducted a special training on low-cost video production. The main objective of the training was to enable partners to develop a more systematic approach to using low-cost videos as one of the media strategies through which they share information with farmers. At the end of the training session some selected partners including Pakachere received a video camera for use. As a next step in the evolution, FtF-INVC will support Pakachere to develop low cost video documentaries on nutrition and agriculture value chains using the knowledge and expertise gained from the training. During the period, Pakachere will produce 4 video documentaries (1 per quarter) addressing various nutrition behaviors and agriculture value chains (one priority topic on agriculture may include aflatoxin management). The audio-visual shows will be interactive during viewing sessions, when care group volunteers, promoters, HSAs and AEDOs can be present to clarify information relayed to the community members. This will allow instant feedback and exchange of information as questions to be raised by viewers will be answered and clarified by content experts either on nutrition or agriculture value chains.

TASK 2: INCREASE ACCESS TO DIVERSE AND QUALITY FOODS AMONG TARGET POPULATIONS

SUB-TASK 1: FACILITATE AND PROMOTE CULTIVATION OF HIGH NUTRITIVE VALUE CROPS

Legume (soy bean and groundnut) production is the focus of this component of the FtF-INVC project. The nutrition team, under the direction of the Deputy Chief of Party (DCOP) and Legume Value Chain Specialists (VCS), will continue to coordinate the integration of messaging on new productivity-enhancing legume technologies. Implementing partners that will facilitate production of legumes are CADECOM, FUM, IITA and NASFAM.

The project will also promote backyard gardens for production of indigenous vegetables that are rich in needed micronutrients like iron, Vitamin A and zinc. (For any seeds to be procured and distributed as a part of the FTF-INVC project, we will check that vegetables chosen are not on the restricted commodity list.) The main focus for home gardens will be indigenous high-nutrient vegetables such as black jack or Bidens pilosa (Chisoso), Catwhiskers (Luni), Amaranthus (Bonongwe), Local rape (*kamganje)* and pumpkin leaves (Mnkhwani). Nkhoma Hospital will facilitate and promote cultivation of indigenous vegetables to improve dietary diversity among project beneficiaries. Nkhoma will procure and distribute starter seed and staff will train care group volunteers on the development and management of backyard gardens using the different seed varieties to be distributed. Nkhoma in collaboration with NASFAM, FUM and AEDOs will also train care group volunteers on the selected best practices on vegetable growing to optimally benefit from home/backyard gardens.

FtF-INVC nutrition team will work closely with its legume and dairy value chain specialist colleagues to develop an integrated curriculum on kitchen/backyard gardens and related activities such as the use of animal manure or compost on vegetable gardens and feeding garden waste to dairy animals and other livestock. FtF-INVC agriculture value chain team will train Nkhoma staff in the integrated curriculum on backyard/kitchen gardens. Nkhoma staff are expected to use this integrated curriculum for training care group volunteers in backyard/kitchen gardening and to work closely with AEDOs to provide on-going technical support for home gardening.

SUB-TASK 2: FACILITATE FOOD PROCESSING

Food processing is intended to improve food quality and storage life. At the community and household-level food processing activities will be promoted by Nkhoma to provide knowledge and skills to care givers and household to prepare and consume nutritious meals. The Hospital will conduct cooking demonstrations based on recipe guides already developed by FtF-INVC to enhance composition of meals from legumes and dairy promoted in the project as well as locally available foods to improve dietary diversification and improved food utilization. The schedule of the recipes used in the cooking demos will be based on what foods are available locally and will additionally factor in seasonality concerns related to the best times to schedule these demos for better participation. At least once per quarter, each care group volunteer will conduct food processing demonstrations with their cluster of households. The demonstration will be extended to all community members including indirect project beneficiaries. A recipe book on incorporation of various legumes in infant and young child feeding formulations, already compiled by the FtF-INVC Project team, will be used.

In Lilongwe and Mchinji, care groups will be trained on how to process, store and utilize different food ingredients into nutritious foods targeting children aged six-to-24 months and pregnant women. The focus will be on processing of foods already grown by farmers such as soya into milk or corn soy

blend (CSB) for home consumption. The care groups will actively promote and support life-saving exclusive breastfeeding and continued breastfeeding at the same time.

Climate change considerations

As food preparation processing can entail consumption of firewood (such as soya processing), climate change considerations will be adapted under this project through use of the fireless cooker and energy-saving stoves. In order to achieve this, FtF-INVC through Nkhoma and Pakachere will identify NGOs that are already promoting this initiative in Lilongwe and Mchinji and link them up with CGs on messaging to promote climate change adaptation.

SUB-TASK 3: FACILITATE FOOD FORTIFICATION

Soy is processed commercially by an estimated number of twenty companies in Malawi. FtF-INVC is considering a strategic partnership with Universal Industries Limited, a food manufacturing company in Malawi on commercial processing of soy to improve the soy-specific nutrient quality of foods in the marketplace. The company has recently launched a nutritious instant porridge locally known as *Nutri Gluco Phala* for young children. The porridge is made from maize, wheat and soy flour, and uses 30% soy flour, thereby providing an opportunity for uptake and steady market for the soy beans being produced by smallholder farmers. FtF-INVC will explore possibilities of supporting the company with its fortification efforts with soy beans promoted in the program. The *Nutri Gluco Phala* is conveniently packaged for rural communities at what is intended to be more feasible price point to these purchasers. Traditionally it has been challenging to establish feasible markets for fortified complementary foods (FCFs) in rural areas and FCFs have tended to be a higher cost product largely limited to sale in urban areas. The goal is that high quality FCFs will become more available and accessible in rural areas, and, ideally, that consumption of these nutrient dense foods increases in children aged 6-to-24 months.

In August 2013, FtF-INVC conducted a policy assessment of the environment for Sprinkles/Micro-Nutrient Powder (fortified complementary food products) and a concurrent value chain analysis of the supply and demand for processed fortified complementary food products and micronutrient powers (MNPs) in Malawi. Recommendations and results from the studies will be assessed by FtF-INVC with the potential that the most actionable of recommendations will be taken forward as is feasible in Y2.

TASK 3: ENHANCE CONSUMPTION OF A NUTRITIOUS AND SUFFICIENTLY DIVERSIFIED DIET

SUB-TASK 1: PROMOTE DIETARY DIVERSIFICATION

Dietary diversification will be promoted at multiple contact points in the FtF-INVC BCC approach. This promotion of an increased variety of foods into the diet (with an emphasis on value chain products soy beans, groundnuts and dairy) will reinforce the strategic aim of increasing dietary diversity in vulnerable groups.

One element of the strategy to promote dietary diversification is through the promotion of utilization of produce from home gardens/backyard vegetable produce. Through Nkhoma, FtF-INVC staff will train community members on preparation and consumption of produce from home gardens. The project will promote nutritious vegetables to be selected for garden cultivation with the participation of community members.

Through care groups, community members will be sensitized on the importance of providing more diversified diets to their children. Emphasis will be on complementary foods and child feeding practices that take into account daily challenges that are faced by the principal caregivers; financial limitations (lack of purchasing power), time (lack of time for complex food procurement and preparation), cultural (beliefs, preferences), and pressure from influential relatives (to take on sub-optimal practices). Again, a recipe book compiled by FtF-INVC nutrition team will be utilized to promote dietary diversification. The recipe book has a variety of recipes to offer flexibility in choices of the recipes that would most suitable be adopted by care givers.

Further, nutrition sensitization/awareness meetings will be conducted with stakeholders at district and community levels. These stakeholders will include GoM health and agriculture partners, NGOs operating in the impact area with similar interventions, CBOs and FBOs. Apart from these sensitization meetings, "open days" will be conducted to showcase key principles such as the "multi-mix" principle that encourages food preparers and caregivers to serve a number of different foods as components of a meal.

TASK 4: INCREASE ACCESS TO AND UTILIZATION OF KEY NUTRITION-RELATED SERVICES AMONG TARGETED POPULATIONS INCLUDING COMMUNITY SURVEILLANCE AND REFERRALS

SUB-TASK 1: CONDUCT COMMUNITY-BASED GROWTH MONITORING AND PROMOTION

Nkhoma and Pakachere have been identified to conduct this activity. Nkhoma will train care group volunteers who will work hand in hand with HSAs in the Ministry of Health at the community level to promote growth monitoring and promotion. Growth monitoring and promotion will be at two levels: one that assesses the growth of the individual child where each care giver will be trained to follow and interpret the growth of child, and the second that assesses the growth performance of the community as a whole. The latter will use community growth charts where members of the community will have the weights of their children plotted on a growth chart representing the community. Feedback will then be given to community members on growth performance of the children in that community, to make malnutrition visible in the community, and use the growth monitoring sessions as a community mobilization tool to take action to reduce risk factors for stunting in children. Sessions will also provide an opportunity for volunteers to deliver nutrition education to the community members.

SUB-TASK 2: PROMOTE VITAMIN A SUPPLEMENTATION AND DE-WORMING

The FtF-INVC Project will support the GoM in increasing coverage for Vitamin A supplementation efforts through semi-annual child health days (every 6 months). Through Nkhoma, FtF-INVC will support logistics for movement of supplies and provide support to health surveillance assistants necessary for effective rollout of the Vitamin A supplementation campaign. To be effective, FtF-INVC and partner staff will serve on district planning teams for the child health days. In this way, strategic areas requiring attention will be identified in advance and timely responses will be mobilized. Moreover, care group volunteers will mobilize communities to ensure that caregivers and vulnerable groups participate in and benefit from the campaigns. Pakachere will conduct community drama performances on the importance of child health days and encourage communities to patronize the campaigns.

SUB-TASK 3: SUPPORT/STRENGTHEN COMMUNITY SYSTEM/STRATEGY FOR REFERRAL OF CHILDREN

Nkhoma will link with USAID-supported Support for Service Delivery Integration (SSDI) Project and other experts to adapt a referral system for sick and malnourished children identified in the community. The system will be developed in consultation with GoM stakeholders. All relevant partners using the health facility referral system will be fully oriented in its use. Through care group volunteers, Nkhoma and Pakachere will sensitize communities on danger signs that trigger referral of children to health facilities. Nkhoma will continuously coordinate with health surveillance assistants (HSAs) and village health committees to ensure referral system is effective.

SUB-TASK 4: PROMOTE IMPROVED COMPLEMENTARY FEEDING AND MANAGEMENT OF ACUTE MALNUTRITION

Nkhoma Hospital, under the technical support and supervision from FtF-INVC Staff, will conduct community complementary feeding and learning sessions (CCFLS). Community complementary feeding and learning sessions are locally known as *Thanzi* sessions. The *Thanzi* sessions concept is a modified positive deviance health (PDH) approach. While PDH focuses only on the rehabilitation of already malnourished children, the CCFLS approach accommodates both well-nourished children as well as children showing signs of acute malnutrition.

The *Thanzi* sessions will be implemented in target communities and scaled up, applying the positive deviance process which identifies affordable, acceptable, effective and sustainable practices already used by at-risk people and that do not conflict with local culture. Caregivers in households with malnourished children will learn what their neighbors with equally limited resources are doing to prevent malnutrition, and in the process will be empowered to adopt better practices even with very limited access to resources and services. FtF-INVC support will aim to rehabilitate malnourished children with locally available nutritious foods while those who are well-nourished will be instructed on simple skills and knowledge that can be incorporated as a new or learned behavior and ultimately contribute to good care for future children, thereby preventing future malnutrition incidences. Each promoter will coordinate *Thanzi* sessions while each volunteer will conduct learning hearth sessions and follow up home visits. Depending on community population, promoters will combine health sessions for two to three volunteers at a time. Prior to health Thanzi sessions, nutrition screening will be conducted to establish baseline measurements and growth monitoring will be used to identify newly-malnourished and monitor the nutritional status of children graduating from the sessions. Community leaders and village health committees will be involved throughout the process.

In addition to CCFLS, care group volunteers will be trained in nutrition screening and will then conduct community screening of children to identify and refer malnourished children to health facilities. Care group volunteers will encourage care givers to access services on management of acute malnutrition at health facilities in a timely manner. Care givers of severely malnourished children with complications will be encouraged to be admitted to nutrition rehabilitation units (NRU) while those severely malnourished will be encouraged to continue participating in outpatient therapeutic program (OTP) as provided by the GoM. Households with malnourished children will be closely followed up by care group volunteers to provide general support and prevent deterioration or relapse of malnutrition.

SUB-TASK 5: PROMOTE HYGIENE AND SANITATION

Promotion of sanitation and hygiene will be conducted by care group volunteers who will work in collaboration with HSAs to promote hygiene and sanitation in the communities. This will involve encouraging households to construct pit latrines, construct a rack for plates, make and put up a line for

hanging clothes after washing, digging a rubbish pit for waste management, and promoting hand washing with soap after visiting the toilet, changing baby's nappies and before eating. The households will be encouraged to set up hand washing facilities and also be encouraged to wash fruits before consumption. Households will also be encouraged to purify water using water guard and chlorine. While general sanitation and hygiene are important, hygiene practices that promote food safety for complementary foods will be specially emphasized. Nkhoma and Pakachere will conduct sanitation and hygiene promotion messaging.

TASK 5: ENHANCE ENABLING ENVIRONMENT FOR EXECUTION OF NUTRITION ACTIVITIES

SUB-TASK 1: CONDUCT STAKEHOLDERS MAPPING IN AREAS WHERE FTF INTERVENTIONS ARE IMPLEMENTED

In Y1, FtF-INVC conducted an extensive mapping exercise to identify key players and change agents in the project's Extension Planning Areas (EPAs) to maximize implementation of Component 3. On a regular basis, FtF-INVC will continue to map the change agents such as non-government organizations (NGOs), theatre groups (existing and emerging), HSAs, AEDOs and Information Officers from the Ministry of Information and Civic Education (for on-going community audio-visual shows). These agents will be used to disseminate integrated nutrition and agriculture value chain messages to the intended audiences at various levels.

SUB-TASK 2: CONDUCT AND PARTICIPATE IN MEETINGS WITH KEY STAKEHOLDERS

FtF-INVC is a sub-granting project and not an implementer. As such, the implementation of integration of nutrition in value chains (soy beans, ground nuts) rests on the high level collaboration and networking with policy holding institutions such as DNHA in the Office of the President and Cabinet, Ministry of Health and the Ministry of Agriculture and Food Security. FtF-INVC will ensure that it participates in all technical working group meetings and other platform sessions on nutrition organized by DNHA, the Ministry of Health and the Ministry of Agriculture and Food Security so that it is updated and guided on policy directions regarding scaling up nutrition related issues in Malawi including emerging issues. FtF-INVC project will also work closely with the Ministry of Information and Civic Education and the Ministry of Health (Health Education Section) on the design, development, pre-testing and production of communication materials and messages so that they comply with government set policies on communication and health promotion as companioned by these two (2) line ministries. FtF-INVC will therefore be participating in the National Technical Working Group on BCC chaired by DNHA; and also Information, Education and communication Review Committee under the Health Education Unit in the Ministry of Health. Particular nutrition meetings are regularly scheduled District executive committee meetings, National Nutrition Committee meeting, National Scaling up Nutrition taskforce meetings, technical working group (TWG) meetings such as Infant and Young Child Feeding (IYCF), Micronutrient TWG, National Fortification Alliance, and the National Program for control of aflatoxins. The main aim of the FtF-INVC's engagement in national level nutrition technical and policy issues is to ensure accountability and compliance on GoM procedures and regulations regarding nutrition and BCC.

SUB-TASK 3: CONDUCT SUPPORTIVE SUPERVISION, MENTORING AND COACHING OF PARTNERS

To effectively build capacity for partners, it will be important to continue providing supervision, mentoring and coaching to ensure that quality in project activity delivery is maintained. Mentoring,

coaching and supervision will involve partner staff at their respective head offices and district levels. At the partner headquarter level, FtF-INVC specialists will coordinate monthly consultative meetings and selected sample site visits to assess project implementation progress in the two districts. At the district level, FtF-INVC district nutrition coordinators will also elaborate joint supervision plans with district level staff. Frequency of supervision for district level staff will be higher since some activities, particularly trainings, are cascaded to prevent quality dilution in the process. To ensure quality of training delivered is maintained, FtF-INVC will develop tools for assessing the quality of training delivery as part of the supportive supervision plan (STTA resources may be accessed to assist FtF-INVC finalize tool development quickly and to bring in experts who have used such tools in other program contexts).

Mentoring and coaching will also be used for identification of unique implementation experiences that could be documented and shared.

CONCLUSION

Interventions proven to prevent stunting are multi-factorial and complex. Component 3 has been designed to focus on the adoption of those evidence-based practices that most directly relate to the prevention of stunting (e.g. increased dietary diversity for women and children and improved complementary feeding across several domains) while being reinforced by the other components of the FtF-INVC, via increased production, marketing and consumption of high protein foods (soy beans, groundnuts, dairy) being promoted through improving value chains. FtF-INVC interventions are furthermore aligned to national programs in Malawi, the Special 1000 Days and Scaling up Nutrition (SUN) policies and programs. This coming year FtF-INVC promises to be an exciting one as nutrition implementation rolls-out and the FtF-INVC nutrition integration model is applied and refined as needs may arise. To ensure implementation and integration is successful, the project team will be further supported with short-term technical assistance (STTA) on an as needed basis.

Table 6: Component 3 - Investing in Community Capacity to Prevent Under-Nutrition

Planned Activities	Objectively Verifiable Indicators	Means of Verification	2013						Responsible Person	Assumptions	Risks
			Quarter 1			Q2	Q3	Q4			
			O	N	D						
Task 1: Improve Key Nutrition-Related Behaviors Within Households (BCC)											
Sub-Task1: Investigate/select behavior determinants to improve the behavior change and communication Strategy											
Conduct situation analysis to identify behaviors and factors that affect nutrition among pregnant and lactating women and children under age of five	1 Situational analysis done	Situation analysis report							UNC-FEEDBACK and Bunda Collage of Agriculture	Study design and tools approved by FtF-INVC Project and USAID in time	Community members unwilling to participate in the study as respondents
Develop Positive Deviance Inquiries (PDI) data collection tools *(one form of Formative Research)*	4 PDI tools developed	Draft tools							Pakachere Institute of Health and Development Communication (Pakachere)	Partners participate in tools design/ development workshop	Low participation of communication experts in tools development
Pre-test draft PDI tools	2 Pre-testing sessions for 4 PDI tools done	Pre-testing report Finalized tools							Pakachere and FtF-INVC	Partners committed to have the tools pre-tested as part of communication process in materials development	Partners/ community members unwilling to participate in pre-testing sessions
Conduct PDIs	4 PDIs conducted	List of barriers affecting adoption of ideal behaviors compiled PDI reports							Pakachere and FtF-INVC	Partner able to adequately identify real barriers	Household members unwilling to participate in PDIs

Planned Activities	Objectively Verifiable Indicators	Means of Verification	2013						Responsible Person	Assumptions	Risks
			Quarter 1			Q2	Q3	Q4			
			O	N	D						
Develop market survey data collection tools *(another form of Formative Research)*	6 Market survey tools developed	Draft tools							Pakachere Institute of Health and Development Communication (Pakachere)	Partners participate in tools design/ development workshop	Low participation of communication experts in tools development
Pre-test draft market survey tools	2 Pre-testing sessions for the tools done	Pre-testing report Finalized tools							Pakachere and FtF-INVC	Partners committed to have the tools pre-tested as part of communication process in materials development	Partners/ community members unwilling to participate in pre-testing sessions
Conduct market surveys	6 Market surveys done	Survey reports							Pakachere and Nkhoma	Users have skills on how to conduct market surveys	Communication change agents, media houses and community members unwilling to participate in market surveys
Orient implementing partners (Nkhoma, FUM, NASFAM, HSAs, AEDOs) on PDI and Market surveys	3 Orientation sessions conducted (1 in Mchinji, 2 in Lilongwe)	Workshop reports							Pakachere	Partners participate in the orientation sessions	High number of partners to be oriented which might affect quality
Hold meetings to advise on the design interventions based on the PDIs and market surveys	8 Meetings conducted	Meeting reports							Pakachere and FtF-INVC	Availability of barriers identified through PDIs and market surveys	Limited time among partners to participate in the meetings due to other engagements
Sub-Task 2: Implement BCC approaches-Community emphasis and creative media strategies											
Hold creative	1 Meeting held	Report							FtF-INVC and	Partners willing	Low participation

Planned Activities	Objectively Verifiable Indicators	Means of Verification	2013						Responsible Person	Assumptions	Risks
			Quarter 1			Q2	Q3	Q4			
			O	N	D						
meeting on BCC approaches	on BCC approaches								Pakachere	to participate	of communication experts in the meeting
Develop BCC specific implementation plan across FtF-NVC components with calendar and deliverables developed	1BCC specific implementation plan developed based on the results of PDIs, market surveys and BCC Strategy	BCC plan							FtF-INVC and Pakachere	Partners participate in the workshop	Communication experts unwilling to take part in the meetings
Train HSAs, AEDOs and promoters on SBCC approaches *–How to conduct IPC and MI with care group volunteers*	3 Training sessions done (1 in Mchinji and 2 in Lilongwe) 60 Partners (HSAs, AEDOs, promoters) trained	Training report							Pakachere and FtF-INVC	HSAs, AEDOs, promoters have time to participate in the training sessions	Those trained unable to apply skills gained effectively
Develop various creative briefs on print and electronic media (posters, leaflets, factsheets, flyers, TFD, low cost videos, jingles and radio programs)	9 Creative briefs on print and electronic media developed	Media briefs							FtF-INVC and Pakachere	Briefs address identified barriers to ideal nutrition behaviours	Unavailability of communication experts to participate in the production of the briefs
Hold message development workshop	1 Message development workshop held	Workshop report Compendium of messages							Pakachere	Messages address key issues identified through PDIs	Tendency of developing generic messages among experts
Form FtF-INVC BCC Platform	1FtF-INVC BCC platform	Forum/platform							Pakachere and FtF-INVC	Willingness among nutrition,	Resistance from other existing

Planned Activities	Objectively Verifiable Indicators	Means of Verification	2013						Responsible Person	Assumptions	Risks
			Quarter 1			Q2	Q3	Q4			
			O	N	D						
	instituted									agriculture and BCC experts to participate in the platform	BCC/communication platforms
Hold workshops to develop posters, leaflets, flyers, factsheets etc on nutrition and agriculture value chains	2 Posters, 2 flyers, 2 fact sheets, 2 leaflets on nutrition/ agriculture value chains developed	8 Concepts developed (2 posters, 2 flyers, 2 fact sheets, 2 leaflets)							Pakachere and FtF-INVC	The barrier analysis report able to clearly distill causes of the problems faced by communities worthy addressing through print materials	Communication experts unwilling to take part in the platform
Pre-test posters to the intended audiences	2 Posters pre-tested	Pre-testing report							Pakachere and FtF-INVC	Partner committed to have the poster pre-tested as part of communication process in materials development	Partners/ community members unwilling to participate in pre-testing sessions
Print	180, 000 Posters, 5000 flyers, 500 fact sheets, 5 leaflets printed and disseminated	Copies of posters							Pakachere and FtF-INVC	High quality designs of the materials	Delays in procurement processes for printing
Sub-Task 3:Develop radio programs and discussions											
Produce 15 and 30 minute radio programs	8 New radio programs produced	Production reports							Pakachere and FtF-INVC	No exceptional problems foreseen	Delays in procurement processes for airing
Air radio programs	24 Radio	Airing report							Pakachere	No exceptional	Commitment by

Planned Activities	Objectively Verifiable Indicators	Means of Verification	2013						Responsible Person	Assumptions	Risks
			Quarter 1			Q2	Q3	Q4			
			O	N	D						
	programs aired (including new and the repeats)								and FtF-INVC	problems foreseen	radio stations to air programs on schedule
Hold live panel discussion and live phone in programs on radio stations	16 Live program produced (8 panel discussions, 8 live phone in programs)	Airing reports							Pakachere and FtF-INVC	No exceptional problems foreseen	Unavailability of successful interventions worthy special programs (discussion/live phone-ins)
Sub-Task 4: Air nutrition radio jingles											
Produce nutrition radio jingles	4 New programs produced	Production reports							Pakachere and FtF-INVC	No exceptional problems foreseen	Delays in procurement processes for airing
Air nutrition radio jingles	365 Radio jingles aired (new and mostly repeats)	Airing report							Pakachere and FtF-INVC	No exceptional problems foreseen	Commitment by radio stations to air programs on schedule
Sub-Task 5: Conduct Theatre for Development Strategy											
Conduct refresher training for drama groups	17 Refresher training sessions done in 17 EPAs	Report							Pakachere	Community members committed to continue working as dramatis on voluntary basis	Relevance of the refresher training appreciated by the members
Conduct TFD performances	300 TFD performances conducted in 17 EPAs	Reports							Pakachere and FtF-INVC	Community members see the value of TFD in nutrition	Limited commitment to continue working as dramatists on voluntary basis
Sub-Task 6: Develop Interactive Audio-visual Shows/Campaigns											
Develop low cost audio-visual documentaries	4 Audio-videos documentaries produced	Video clips							Pakachere	No exceptional problems foreseen	Showing audio-visuals at night could create

Planned Activities	Objectively Verifiable Indicators	Means of Verification	2013						Responsible Person	Assumptions	Risks
			Quarter 1			Q2	Q3	Q4			
			O	N	D						
(videos)											security risk
Conduct community-based audio-visual viewing sessions/shows	34 Community-based audio-visual viewing sessions/shows conducted	Reports							Pakachere	No exceptional problems foreseen	Low patronage on audio-visual shows
Monitor implementation of BCC under Pakachere interventions	12 Monitoring visits done	Reports							Pakachere	No exceptional problems foreseen	Non-adherence to monitoring schedules
Hold consultative meetings with individual partners involved in the integration of nutrition in value chains (MMPA, NASFAM, FUM	30 Meetings done	Reports							Pakachere and FtF-INVC	Partners value the relevance of the meetings	Limited time for meetings
Sub-Task 7: Promote Climate change in all nutrition interventions											
Produce radio programs addressing climate change	4 Radio programs produced	Reports							Pakachere and FtF-INVC	No exceptional problems foreseen	No exceptional problems foreseen
Produce radio jingles addressing climate change	2 Radio jingles produced	Reports							Pakachere and FtF-INVC	No exceptional problems foreseen	No exceptional problems foreseen
Produce fact sheets on climate change	1 Fact sheet produced	Reports							Pakachere and FtF-INVC	No exceptional problems foreseen	No exceptional problems foreseen
Conduct dram performances on climate change	17 TFD performances done specific to climate change done	Reports							Pakachere and FtF-INVC		

Planned Activities	Objectively Verifiable Indicators	Means of Verification	2013						Responsible Person	Assumptions	Risks
			Quarter 1			Q2	Q3	Q4			
			O	N	D						
Task 2: Increase Access to Diverse and Quality Foods among Target Populations											
Sub-Task 1: Facilitate and Promote Cultivation of high Nutritive value Crops											
Promote backyard gardens for production of indigenous vegetables	24750 households establish home gardens	Partner report							Nkhoma Hospital	No exceptional problems foreseen	Seed availability in the dry seasons and drought
	24750 vegetable seeds procured and distributed (8250 Amarath{bonongwe}, 8250 catwhiskers {Luni}, 8250 Kamganje)	Partner reports									
	89780 sensitization visits conducted on kitchen gardens	Partner reports							Nkhoma Hospital	No exceptional problems foreseen	
Train promoters and care group volunteers in the integrated curriculum on backyard/kitchen gardens	120 promoters trained	Partner training reports							Nkhoma Hospital	No exceptional problems foreseen	
	4050 volunteers trained	Partner training reports							Nkhoma Hospital	No exceptional problems foreseen	Government trainers not available
Sub-task 2: Facilitate Food Processing											
Orient Agriculture extension workers (AEDOs) in food processing and utilization of soya beans and ground nuts	34 AEDOs oriented in food processing	Partner training report							Nkhoma Hospital	Government workers will be available	
Orient health	34 HSAs	Partner training							Nkhoma	Government	

Planned Activities	Objectively Verifiable Indicators	Means of Verification	2013						Responsible Person	Assumptions	Risks
			Quarter 1			Q2	Q3	Q4			
			O	N	D						
surveillance assistant in food processing and utilization of soya beans and ground nuts	oriented in food processing	report							Hospital	workers will be available	
Train district coordinators, nutrition assistants and community promoters in food processing and utilization of soya beans, ground nuts and milk	3 district coordinators trained	Partner training report							Nkhoma Hospital	Certified government training staff are available	
	20 Nutrition assistants trained	Partner training report							Nkhoma Hospital	Certified government training staff are available	
	120 promoters trained	Partner training report							Nkhoma Hospital	Certified government training staff are available	
Conduct community level food processing activities	16200 food processing sessions conducted	Partner report							Nkhoma Hospital		
Promote energy saving cooking technologies	48600 households reached	Partner reports							Nkhoma Hospital	Stakeholder mapping concluded and linkages made	
Sub-task 3: Facilitate Food Fortification											
Establish a strategic partnership with food manufacturing companies in Malawi on commercial processing of soy to improve the soy-specific nutrient	5 companies considered for strategic partnership	Partnership discussion reports							FtF INVC	No problems anticipated	

Planned Activities	Objectively Verifiable Indicators	Means of Verification	2013						Responsible Person	Assumptions	Risks
			Quarter 1			Q2	Q3	Q4			
			O	N	D						
quality of foods in the marketplace											
Assess and implement recommendations and results from the studies on policy assessment of the environment for Sprinkles/Micro-Nutrient Powder (fortified complementary food products) and a concurrent value chain analysis of the supply and demand for processed fortified complementary food products and micronutrient powers (MNPs) in Malawi	At least two recommendations implemented	Reports							FtF INVC	MNP policy environment will continue to be government policy priority	Change in government policy environment not favoring implementation of policies
Task 3: Enhance Consumption of a Nutritious and Sufficiently Diversified Diet											
Sub-task 1: Promote Dietary Diversification											
Train promoters and care group volunteers and households in dietary diversity	120 promoters trained	Partner training reports							Nkhoma Hospital	Government workers will be available	
	4050 care group volunteers trained	Partner training reports								No exceptional problems foreseen	
	48600 households trained	Partner training reports								No exceptional problems foreseen	
Conduct cooking demonstrations	18900 cooking demonstrations	Partner training reports								No exceptional problems	

Planned Activities	Objectively Verifiable Indicators	Means of Verification	2013						Responsible Person	Assumptions	Risks
			Quarter 1			Q2	Q3	Q4			
			O	N	D						
	conducted targeting households									foreseen	
Conduct nutrition sensitization/awareness meetings with stakeholders at district and community levels	3 annual nutrition events conducted in Lilongwe North, Linlongwe South and Mchinji districts	Partner training reports							Nkhoma Hospital	No exceptional problems foreseen	
Conduct "open days" to showcase key principles such as the "multi-mix" principle that encourages food preparers and caregivers to serve a number of different foods as components of a meal.	3 annual nutrition "open days" events conducted in Lilongwe North, Linlongwe South and Mchinji districts	Partner training reports							Nkhoma Hospital, MoAFS	No exceptional problems foreseen	
Task 4: Increase Access to and Utilization of Key Nutrition-Related Services among Targeted Populations including Community Surveillance and Referrals											
Sub-Task 1: Conduct Community-Based Growth Monitoring and Promotion											
Conduct community based growth monitoring sessions	216 sessions held in 54 villages	Partner reports							Nkhoma Hospital	No exceptional problems foreseen	
Conduct community growth monitoring learning and experience sharing visit	1 experience sharing and learning visit.	Partner report							Nkhoma Hospital	No exceptional problems foreseen	
Conduct nutrition screening for children	At least 48600 children screened	Partner report							Nkhoma Hospital	No exceptional problems foreseen	

Planned Activities	Objectively Verifiable Indicators	Means of Verification	2013						Responsible Person	Assumptions	Risks
			Quarter 1			Q2	Q3	Q4			
			O	N	D						
Sub-Task 2: Promote Vitamin A Supplementation and De-Worming											
Support child health days campaign	2 child health days campaigns supported	Partner reports									
Sub-Task 3: Support/Strengthen Community System/Strategy for Referral of children											
Conduct synergy meeting with SSDI and other experts in developing referral system	At least one meeting held	Meeting report							FtF INVC and Nkhoma Hospital	No problems anticipated	
Develop and test referral forms	1 referral form developed	Partner reports							Nkhoma Hospital		
	2 sites test referral form										
Implement referral system	21 health facilities in 21 EPAs implement referral system										
Conduct quarterly meeting between promoters, Village health committees and community health workers	4 meetings conducted	Partner reports							Nkhoma Hospital, VHCs and MoH	All parties continue to prioritise the activity	
Sub-Task 4: Promote Improved Complementary Feeding and Management of Acute Malnutrition											
Train district coordinators, nutrition assistants and community promoters and care group volunteers in ENA and SUN	3 district coordinators trained	Partner training report							Nkhoma Hospital	Certified government training staff are available	
	20 Nutrition assistants trained									Certified government training staff are available	
	120 promoters trained									Certified government training staff are	

Planned Activities	Objectively Verifiable Indicators	Means of Verification	2013						Responsible Person	Assumptions	Risks
			Quarter 1			Q2	Q3	Q4			
			O	N	D						
										available	
	4050 volunteers trained									No problems anticipated	
Conduct nutrition screening for under five children	21604 screening sessions conducted	Partner reports							Nkhoma Hospital	No problems anticipated	
Conduct complementary feeding and learning sessions (CCFLS)	At least 120 sessions conducted	Partner reports							Nkhoma Hospital	No problems anticipated	
Refer malnourished children for higher level management	# Children referred (number to be determined by level of malnutrition in the communities)	Partner reports							Nkhoma Hospital	No problems anticipated	
Sub-Task 5: Promote Hygiene and Sanitation											
Train care group volunteers and households in Sanitation and hygiene	4050 care group volunteers trained	Partner reports							Nkhoma Hospital	No problems anticipated	
	48600 households reached/trained									No problems anticipated	
Task 5: Enhance Enabling Environment for Execution of Nutrition Activities											
Sub-Task 1: Conduct stakeholders mapping in areas where FtF interventions are implemented											
Conduct stakeholder mapping in FtF INVC impact areas	4 mapping activities conducted	Mapping report							FtF INVC	No problems anticipated	
Sub-Task 2: Conduct and participate in meetings with key stakeholders											
Participate in Nutrition technical working group	12 National level meetings	Meeting reports							FtF INVC, DNHA, MoH,	All partners committed to the meetings	Non-adherence to agreed schedules by policy holders

Planned Activities	Objectively Verifiable Indicators	Means of Verification	2013						Responsible Person	Assumptions	Risks
			Quarter 1			Q2	Q3	Q4			
			O	N	D						
meetings (Infant and young child feeding TWG, Micronutrient TWG, SUN taskforce, National Nutrition Committee)	attended								MoAFS	looking at their importance	(MOH, DNHA, MOAFS
Participate in district level meetings	12 District executive committee meetings	Meeting reports							FtF INVC	All partners committed to the meetings looking at their importance	
Conduct implementation meetings	4 meetings conducted	Meeting reports							Nkhoma Hospital, FUM, Pakachere and NASFAM	All partners committed to the meetings looking at their importance	
Conduct stakeholders meetings	4 meetings conducted	Meeting reports							Nkhoma Hospital, FUM, Pakachere and NASFAM, government ministries	All partners committed to the meetings looking at their importance	
Participate in BCC Technical working group meetings	4 National BCC TWG meetings attended	Reports							FtF-INVC, MOH, MICE, MOAFS. Pakachere	All partners committed to the meetings looking at their importance	Non-adherence to agreed schedules by policy holders (MOH, MICE, MOAFS)
Participate in BCC materials and messages review sessions	4 National level sessions attended	Reports							FtF-INVC, MOH, MICE, MOAFS, Pakachere	All partners committed to the meetings looking at their importance	Non-adherence to agreed schedules by policy holders (MOH, MICE, MOAFS)
Sub-Task 3: Conduct Supportive Supervision, Mentoring and Coaching of Partners											
Conduct supportive supervision,	12 contacts at national level	reports							FtF	No problems anticipated	

Planned Activities	Objectively Verifiable Indicators	Means of Verification	2013						Responsible Person	Assumptions	Risks
			Quarter 1			Q2	Q3	Q4			
			O	N	D						
mentoring and coaching visits	36 at district level	Reports							FtF INVC	No anticipated problems	
	338 care groups supervised	Partner reports							FtF INVC and Nkhoma Hospita	No problems anticipated	
Develop mentoring and supportive supervision tools	1 set of tools developed	Developed tools							FtF INVC	No problems anticipated	

COMPONENT 4: INVESTING IN INNOVATION

The model upon which FtF-INVC is based is the delivery of services and programs through local partners under a grants-in-contract mechanism whereby FtF-INVC provides mentoring, coaching, financial and technical support to Implementing Partners (IPs), Technical Service Providers (TSPs), and Business Service Providers (BSPs). The grantees are grouped and defined as follows:

Implementing Partners – Grantees that mobilize and organize smallholder farming households within communities and strengthen their participation in market-oriented value chain activities and improved access and utilization of staple foods to achieve income and nutritional improvements;

Technical Service Providers – Grantees that share specialized technical skills and expertise to assist implementing partners in improving farmer organizations and smallholder farming households' capacity them to earn greater incomes and improve nutrition;

Business Service Providers – Grantees possessing the requisite business skills and knowledge to build the business/financial capacity of smallholder farming organizations and stakeholders to improve their performance as direct actors, suppliers of goods and services, and supporters and regulators along the value chains and its enabling environment.

FtF-INVC relies upon these local partners/grantees for implementation of activities and programs. As part of the FtF-INVC model, organizational capacity of these grantees is a desired outcome so that these organizations may continue to implement integrated agriculture and nutrition activities and interventions long after the FtF-INVC project has concluded. FtF-INVC plays a coordinating role to grantee identification of its core mission and prioritization of investments in that core mission while accessing specialist services that are either too expensive or take too long to develop to confer competitive advantage in the national marketplace. Through FtF-INVC, Implementing Partners engage Technical and Business Service Providers to leverage expertise held within these other partner organizations without having to build and create these capacities internally.

In FY2013 and through the bridging period, INVC has identified a total of twelve grantees - through a competitive process – with a total grant award value of $8.68M in value. These awards break down as follows: four IPs, 5 TSPs, and 3 BSPs. In FY2014, FtF-INVC will finalize grant agreements with the Civil Society for Agriculture Network (CISANET), a Technical Service Provider, and all three Business Service Providers (MIM, Tradeline, and Umodzi) that submitted proposals in the solicitation conducted in August, 2012.

FtF-INVC grants derive from one of two of the following grant pools:

- The $9 million "Implementation Support Fund" (ISF) cuts across Components 1, 2, 3 and 5. It is intended primarily to support the refinement and scaling of partner programs that align very closely with FtF-INVC objectives in value chain competitiveness, productivity, and community nutrition activities. ISF grants enable FtF-INVC to build partner capacity to meet the objectives of USAID's FORWARD policy.
- The $2 million "Investing in Innovation Fund" (IIF) is an integral element of FtF-INVC's programming across primarily Components 1, 2, and 3. The fund is open to private and non-governmental entities, and public-private partnerships that are able to demonstrate that proof-of-

concept interventions can be tested in one growing or marketing season or less, with a clear pathway to a business case for scaling that is built upon end-market analysis and a financing plan.

TASK 1: OPERATIONALIZE FUNDING MECHANISMS

IIF and ISF both use full and limited competitions to solicit proposals for funding. IIF grant topics reflect issues surfaced during FtF-INVC's implementation that require rapid, cutting edge solutions outside the scope of FtF-INVC's immediate pool of local implementing partners. Priority under the IIF is given to solutions that will attract significant (40 to 50%) investment of own-funds, whether public or private, and the potential for continuing such funding if needed after the grant ends. Priority under the ISF is given to scaling-proposals that provide convincing evidence that increases in production and gross margins of 10,000 to 25,000 smallholder producers of grain legumes will be directly improved to FtF-INVC target levels. The qualifier on dairy proposals is that at least 1000 to 2000 smallholder dairy producers will see production and gross margin double.

During FY2014, the activities under Component 4 will mainly consist of supporting existing grantees and promoting integration of their efforts, as described throughout this work plan. At the current time, FtF-INVC does not plan to extend another solicitation for partner proposals. Funds remaining in the grant pool will be held in reserve for contingencies (i.e., add-on work for current grantees that have demonstrated success in specific areas) and leveraging lessons learned through particularly innovative and cross-cutting initiatives. If IIF funds are not fully subscribed by December 31, 2013, DAI may request USAID to authorize the transfer of any remaining balance to the Implementation Support Fund, or other programmatic use within FtF-INVC that is acceptable to USAID/Malawi.

The Grantee Summary Table (Table 8) below provides a financial and technical status summary for the current FtF-INVC grantees. It highlights the well-roundedness of the selected grantees, and displays the distinct focal areas each grantee has responsibility for on the project. Each grantee's activities are cross-walked with the component of the project in which the bulk of their activities fall, thereby indicating whether the grantee's focus is on advancing competitiveness of the value chains, improving agriculture productivity, improving nutrition, spurring innovation, or developing local capacity. The Grantee Summary Table is useful to see the status of implementation, both as a measure of time (percentage of completion of the grant period) as well as a measure of funding (percentage of funds expended vs. total grant award). For those grantees that have had sufficient time to produce key technical outcomes, these achievements are noted. For other grantees, they are at an early stage and FY2014 is going to be a year of explosive activity as they move into full implementation. For all grantees, the FY2014 outcomes as they relate to the overall project targets is noted, weaving an important story of how these twelve grantees work in a coordinated and integrated fashion to achieve agricultural and nutritional outcomes in the zone of influence in Malawi.

Table 7: Grantee Summary Table

	No.	Grantee	Component (primary focus)	% of Completion of Timeline (# Months of Implementation/# of Months of Current Grant Perf Period)	% of Completion of Timeline (# Months of Implementation/ # of Months of Total Projected Grant Perf Period)	Progress to Date Technical Delivery	Total Current Grant Value (USD)	Total Projected Grant Value (USD)	% OF Disbursment / Total Projected Grant Value	FY 2014 Anticipated Contributions to Reaching Project-Wide Performance Indicators	Comments
Implementing Partners	1	National Smallholder Farmers Association of Malawi (NASFAM)	2 - Improving Ag Productivity	84%	33%	Provided 19444 farming households. Present in all 7 districts. Distributed 163 MT soya seed to its farming households	$1,126,694	$3,126,694	15.0%	Will provide 100000 (cumulative) farming households. 46000 under 5 children to be reached. Expected to distribute another 122 MT soya seed to its members. 21270 farmers sensitised	Only provides quarterly reports. So expenditure reporting is slow but is a reliable partner
	2	Catholic Development Commission of Malawi (CADECOM)	2 - Improving Ag Productivity	81%	28%	Provided 22000 farming households in Dedza district. Sensitised a larger number of households	$116,615	$633,004	3.3%	Will provide 30000 (cumulative)farming households. 400 lead farmers will be trained. Will distribute 150 MT of certified seed to farming households.	Very slow in rolling out its activities. Has been slow in submitting its expense reports too
	3	Farmers Union of Malawi (FUM)	1 - Advancing VC Competitive-ness	81%	28%	Project implemented in Lilongwe, Mchinji and Dedza districts. 4315 households sensitised. 5185 lead farmers trained.	$218,438	$578,844	29.6%	60000 farmer households to be trained. 360 farmers to be trained as trainers of trainers in governance. 1200 farmers to be traibned in post-harvest management. 16000 under 5 children to be reached.	FUM plans to strengthen both its head office and District Farmer Union capacities. Has shown good progress in submission of its expense reports.

	No.	Grantee	Component (primary focus)	% of Completion of Timeline (# Months of Implementation/# of Months of Current Grant Perf Period)	% of Completion of Timeline (# Months of Implementation/ # of Months of Total Projected Grant Perf Period)	Progress to Date Technical Delivery	Total Current Grant Value (USD)	Total Projected Grant Value (USD)	% OF Disbursment / Total Projected Grant Value	FY 2014 Anticipated Contributions to Reaching Project-Wide Performance Indicators	Comments
	4	Malawi Milk Producers Association (MMPA)	2 - Improving Ag Productivity	83%	31%	Identified 296 Malawi zebu cows for cross breeding. Geo referencing of MBGs in progress. 231 farmers trained in record keeping measures	$336,091	$749,091	15.2%	Had to change its strategy midway during year 1. It will now concentrate on Artificial Insemination of Malawi Zebu cows for additional production.	Has been very slow in implementation. Also very slow initially in submitting its expense reports but is now catching up.
Technical service providers	5	Nkhoma CCAP Hospital (Nkhoma)	3 - Improve community capacity to prevent under nutrition	57%	11%	45 promoter volunteers identified. 2 nutrition coordinators recruited. 1500 MUAC tapes procured.	$329,864	$674,808	29.5%	48000 under 5 children will be reached. They will also encourage households to have kitchen gardens.	
	6	Pakachere Institute for Health and Development Communication (Pakachere)	3 - Improve community capacity to prevent under nutrition	57%	11%	BCC Strategy developed; Grant signed and funds provided; (b) 2 User guides developed *(interpersonal communication and motivational interviewing);* (c)	$111,044	$316,366	17.0%	Train 30 Project Coordinators in SBCC concepts; Train 17 community-based drama groups; Complete 3 market surveys of SBCC interventions; 30 radio programs aired on 3 radio stations; 6 radio jingles	Pakachere provides BCC technical support to Nkhoma on nutrition. Due to late funding, Pakachere has just started its planned activities and most of the activities which

No.	Grantee	Component (primary focus)	% of Completion of Timeline (# Months of Implementation/# of Months of Current Grant Perf Period)	% of Completion of Timeline (# Months of Implementation/ # of Months of Total Projected Grant Perf Period)	Progress to Date Technical Delivery	Total Current Grant Value (USD)	Total Projected Grant Value (USD)	% OF Disbursment / Total Projected Grant Value	FY 2014 Anticipated Contributions to Reaching Project-Wide Performance Indicators	Comments
					2 Radio jingle storylines developed on exclusive breastfeeding; (d) Pakachere travelling theatre members who will be used to mentor other groups identified, briefed and rehearsals for performances conducted					were planned for the period April-September 2013 have not been shifted to FY14.
7	International Institute of Tropical Agriculture (IITA)	2 - Improving Ag Productivity	35%	35%	Tikolore soya breeder seed contract given by IITA to Clinton Hunter Development Institute. Have advertised for storage facility drawings.	$591,610	$591,610	11.4%	Produce manuals on foundation and certified seed production. At least 4 soya bean varieties will be analysed.	Indications are that CDI could not provide the required production of Tikolore breeder seed.
8	Agricultural Commodity Exchange for Africa (ACE)	4 - Investing in Innovation	85%	34%	1617 farmers sensitised in warehouse receipts. 10	$430,127	$880,127	18.8%	10000MT of commodities on warehouse receipt system. US$ 1m	Has been INVC's most active grantee so far from a

	No.	Grantee	Component (primary focus)	% of Completion of Timeline (# Months of Implementation/# of Months of Current Grant Perf Period)	% of Completion of Timeline (# Months of Implementation/ # of Months of Total Projected Grant Perf Period)	Progress to Date Technical Delivery	Total Current Grant Value (USD)	Total Projected Grant Value (USD)	% OF Disbursment / Total Projected Grant Value	FY 2014 Anticipated Contributions to Reaching Project-Wide Performance Indicators	Comments
						warehouse sites have been certified for warehouse receipts.				collateral financing. 500 MT commodities stored at NFRA. 10 certified warehouses.	deliverables point of view. Was slow in report submission initially but has now caught up.
	9	Civil Society Agriculture Network (CISANET) *prospective grantee	1 - Advancing VC Competitive-ness	N/A	N/A	Anticipated award date in Sept 2013	$190,000 (est)	$190,000 (est)	0.0%	Development of trade associations; mapping and developing value chains; establishing trade association secretariats	
Business Dev Service Providers	10	Tradeline Consulting	5 - Developing Local Capacity	N/A	N/A	Anticipated award date in Oct 2013	N/A	$125,000	0.0%		
	11	Malawi Institute of Management (MIM)	5 - Developing Local Capacity	N/A	N/A	Anticipate award date in Sept 2013	$80,000 (est)	$200,000	10.0%		
	12	Umodzi Consulting	5 - Developing Local Capacity	N/A	N/A	Anticipated award date in Oct 2013	N/A	$200,000.00	0.0%		

SUB-TASK 1: CARRY OUT A PRE-AWARD SURVEY FOR GRANT APPLICANTS

Pre-award surveys provide an overview of the applicant's organizational and financial capacity to implement the proposed activities. For all existing grantees, except for the Business Service Providers, these surveys have been completed. The BSPs (MIM, Tradeline, Imodzi) have completed a portion of this pre-award survey; they have each completed the organizational component of these surveys but not the financial component, and their references have not yet been checked. By October 2013, the three BSPs will complete the Financial Capability Questionnaire and provide at least three references from previous financiers/donors who can speak to the organizational and financial capacities of these organizations.

SUB-TASK 2: OBTAIN USAID CONCURRENCE FOR SETTING UP GRANT

In FY2014, FtF-INVC will submit proposals for two of the three BSPs to obtain USAID concurrence. With USAID's approval, FtF-INVC will initiate grant negotiations and produce a Negotiation Memorandum. The final step in the approval process will be for the Chief of Party to authorize one or more grant awards after due diligence consultations with DAI's Home Office in the USA.

As described above, three grants are expected to be signed in FY2014 include:

- Umodzi Consulting
- Tradeline Consulting
- Malawi Institute of Management

SUB-TASK 3: MANAGE POST-GRANT AWARD ACTIVITIES

The activities below outline post-grant award activities which are standard across all grantees, except for executing grant modifications, which only occurs on a case-by-case, as-needed basis. Standard post-grant award activities include:

- Financial activities:
- Scrutinize requests for advances;
- Scrutinize financial reports;
- Scrutinize Expense Reports;
- Scrutinize Payment Requests;
- Perform audit visits to grantees;
- Deliver Grant Management Training Seminars; and
- Closeout Grants

Scrutinize Requests for Advances

Once the grant is signed, grantees submit an advance payment request covering activities for two months. During the period, FtF-INVC will review grant advances that are requested aligning them with grantee performance needs.

Scrutinize Financial Reports

When grantees submit a payment request, a financial report is required. FtF-INVC reviews these reports vis-a-vis the budget to ascertain if spending is in accordance with the budget and if grantees are making the required cost-share in kind or in cash. The project will continue to review the expense reports to reconcile expenditures and only issue payments once the financial reports have been submitted and costs reconciled with procurement and activities undertaken.

Scrutinize Expense Reports

As a requirement of the FtF-INVC Project, expense reports must be submitted whenever a payment request is submitted. The expense report is checked for consistency with activities and for conformance with the budget and financial reports, described above. The grantee's finance officer/accountant is engaged in this process to address any issues pertaining to documentation and linking the finance report with the expense report.

Scrutinize Payment Requests

FtF-INVC will also continue to scrutinize the payment requests submitted by grantees to check if the funds requested correspond with the activities that need to be carried out as defined in each line item. If this is not the case, the project will request the applicant to amend the request. These processes ensure that expenditures to be funded are consistent with the approved budget and are in compliance with USAID policies and procedures.

Perform audit visits to grantees

Audit visits are conducted with each grantee at least bi-annually. During FY2014, FtF-INVC will continue the practice of performing these audit visits to monitor financial processes and procurements, ensuring full compliance with USAID rules and regulations.

Deliver Grant Management Training Seminars

At least one grant management training seminar will be held for all grantees in FY2014, with invitations extended to at least two staff from each grantee. This seminar will be a follow-on to the one held in June 2013 to reinforce topics covered including funds management, record keeping and documentation, expense and financial reporting, marking and branding, etc. Grantees will be asked to identify topics of particular interest, especially those that have arisen during project implementation.

Closeout Grants

During the upcoming period, FtF-INVC does not anticipate closing out any grants, as all the grants period of performance extends beyond FY2014. As mentioned, post-grant award activities also consist of technical activities, such as grant modifications, monitoring grant activity and compliance, and reviewing and providing feedback on technical reports.

Review and provide feedback on technical reports

As in the case of Financial Reports, the grant document specifically mentions the need for a technical report in accordance with the Activity Reporting Schedule, on the dates specified therein. The Grants Manager, the Program Manager and the responsible M&E Coordinator will ensure that technical reports are certified and payments made only if an appropriate technical report has been submitted by the grantee with verification of key activities with meeting and visit records. Reports and memoranda on each grant are stored in the FtF-INVC TAMIS.

SUB-TASK 4: ISSUE GRANT MODIFICATIONS

Grant modifications are performed when deviations from the original grant agreement arise, including an expansion of activities or an extension to the period of performance for grant activities. FtF-INVC does not currently anticipate any grant modifications at this time but will consult with USAID/Malawi should the need arise.

TASK 2. DEVELOP SUSTAINABILITY MECHANISMS FOR FUNDS

In Year One of FtF-INVC donors increased their support to competitive grant funds in agricultural value chains. Some of these have modeled their efforts after FtF INVC, e.g. the recent publication of a three-window fund by the Rural Livelihoods Economic Enhancement Project (RLEEP).

As indicated in our Year One work plan, ISF funds are expected to be fully exhausted with no renewal or alternative capitalization sought during the FtF-INVC project and no successor fund manager will be sought. It is anticipated that USAID will direct fund further scaling activities with Malawian organizations that have qualified to serve as grantees or contractors.

Our efforts will focus on attracting investment capital to at least one private venture over the time remaining in the project, most likely in the food processing arena. We have discussed financing options with IFC and guaranty mechanisms such as those offered by OPIC and DCA as investment enhancements focused on reducing risks of capital investments in Malawi.

Table 8: Component 4 - Investing in Innovation

Planned Activities	Objectively Verifiable Indicators	Means of Verification	FY 2014						Responsible Person	Assumptions	Risks
			Quarter 1			Q2	Q3	Q4			
			O	N	D						
Task 1: Operationalize Funding Mechanism											
Sub-Task 1: Carry out Pre-Award Survey for Grant Recipients											
Complete 3 pre-award surveys	Pre Award Survey completed for all grantees	Pre-Award survey report							Grants Manager	Pre award surveys already done	Conflict of Interest-applicant not very conversant with concept
Obtain financial capability questionnaire from applicants	Four Completed Financial Capability Questionnaires obtained	Completed Financial Capability Questionnaires							Grants Manager		
Sub-Task 2: Obtain USAID Concurrence for Setting Up Grants											
Obtain references from previous and current donors/financiers for 3 BSPs	3 references per potential grantee received.	Four references from previous donors / financiers received							Grants Manager	Other donors willing to provide references	
Validate grantee budgets by obtaining quotations/cost justifications	A validated budget that is representative of grant activities.	Various quotations and justifications from three different grantees received							Grants Manager	Grantees willing to source and submit quotations to FtF INVC	
Review and upgrade proposals to grant status	A signed grant document	Three proposals reviewed and upgraded							Grants Manager/Chief of Party	Organizations able to submit quality proposals	
Sub-Task 3: Manage Post-Grant Award Activities											
Scrutinize and facilitate advance payment request	Three advance payment requests submitted to	Three signed advance payment requests from							Grants Manager	Organisations need an advance to commence	

Planned Activities	Objectively Verifiable Indicators	Means of Verification	FY 2014						Responsible Person	Assumptions	Risks
			Quarter 1			Q2	Q3	Q4			
			O	N	D						
	Finance for payment	new grantees								assignment	
Scrutinize grantee expense reports	100 Expense reports scrutinized and passed on to Finance for verification	Filed expense reports							Grants Manager	All grantees will submit monthly expense reports except NASFAM and IITA	
Scrutinize grantee financial reports	100 Finance reports scrutinized and passed on to Finance for checking	Filed finance reports							Grants Manager	All grantees will submit monthly expense reports except NASFAM and IITA	
Review approved grantee technical reports and check if activities relate to financial expenditure	100 approved Technical Reports reviewed	Filed technical reports							Value Chain Coordination Specialist	All grantees will submit monthly technical reports except NASFAM and IITA	
Scrutinize grantees' funds requests	55 Grantee fund requests approved	Filed payment requests							Grants Manager/ VCCS and Program Manager	Grantees will need funds in advance	
Visit grantees to do an audit check on systems	24 visits to grantee offices done	Audit visits conducted							Grants Manager /Finance Director		
Arrange and conduct grant management seminar	At least one grant management seminar conducted	Attendance sign-up sheets							Grants Manager /Finance Director		
Sub-Task 4: Issue Grant Modifications											
Carry out grant modifications, if	6 Grant modifications	Completed								FtF INVC and grantee able to	

Planned Activities	Objectively Verifiable Indicators	Means of Verification	FY 2014						Responsible Person	Assumptions	Risks
			Quarter 1			Q2	Q3	Q4			
			O	N	D						
necessary	completed	Modifications								identify areas that need modification	
	Communications including amended program, budget and workplan from grantees	Filed amended program, workplan and budget								FtF INVC and grantee able to identify areas that require modifications	
	Communication from VCCS denoting approvals on modifications	Filed amended program, work plan and budget								FtF INVC and grantee able to identify areas that require modifications	

COMPONENT 5: DEVELOPING LOCAL CAPACITY

FtF-INVC Component 5 capacity building activities for the 2014 Work Plan are again organized under two tasks. Task 1 will continue USAID Forward capacity building initiated by the Project in April 2012, further developing the capabilities of eight Malawian organizations across key institutional dimensions so that they are ready to directly receive grants from USAID. Task 2 summarizes the myriad of capacity building activities detailed in earlier components planned for the next year to be delivered by Project Partners, FTF-INVC Staff and a range of value chain stakeholders under the agricultural and nutritional components of the project across our three target value chains: soy, dairy and groundnuts. Note that sub-tasks in this work plan have changed from prior work plans to reflect progress to date and tactical adjustments that have been made based on lessons learned over the past 17 months.

TASK 1: DEVELOP MALAWI'S CAPACITY GOING FORWARD

Task 1 activities for the 2014 Work Plan are organized along two strategic axes:

- First, eight Malawi grantees will participate in standardized Organizational Development Training delivered by the Malawi Institute for Management (MIM) under the direction and supervision of the FtF-INVC Staff, specifically the Grants Manager and the Capacity Development Specialist. This training is designed to build the governance, technical, operational and financial capabilities required across organizations. Based on the eight institutional dimensions of the Organizational Capacity Assessment Tool (OCAT) used to assess each of our grantees, capacity building efforts will move our partners toward being highly effective grantee organizations fully capable of receiving grants directly from USAID. The primary work of this component over the next year is detailed in Task 1: Sub-task 1 below.
- Second, the FtF-INVC Staff will provide individual, customized technical assistance to each grantee as appropriate. The FtF-INVC Grants Manager, Operations Manager, Grants Accountants (currently being recruited), and M&E Coordinators will work with our grantee partners specifically focusing on periodic financial reporting and invoicing; technical and operational reporting; and individualized monitoring and evaluation activities. Critical capability gaps and/or specific capacity building needs that arise from these routine monthly reporting requirements will be flagged and assigned targeted technical assistance as appropriate. This equally critical, customized monitoring and capacity building work scheduled for the 2014 Work Planning period is detailed in Task 1: Sub-Task 2.

SUB-TASK 1: UPGRADE/IMPROVE ORGANIZATIONAL CAPACITY TO MANAGE GRANTS

Two major project accomplishments to date have informed plans for 2014 and are the foundation for the Forward capacity building activities we will undertake over the next year.

FtF-INVC Grantees Finalists

The first major milestone is that the project has finalized eight grantee agreements in the past several months, and it is in the process of finalizing the tenth grant agreement as of the writing of this work

plan. (See Component 4, Grantee Summary Table for details). As noted in this work plan, it took considerably longer to complete these grant agreements and initiate implementation activities than was originally anticipated at project launch. Given a much lower capacity base than hoped, the delay in executing grant agreements has "pushed" project activities, outcomes and deliverables into succeeding planning periods. Our early August work-planning sessions showed improvement in partner capacity to match activities to their operating implications for grant management and administration, procurement planning, staff hiring, training, and supervision, and monitoring and reporting data, but substantial improvements are needed to meet FORWARD objectives. It is our intention, despite continued weakness in some partner capacity, to complete finalization and negotiation of the remaining BDS service suppliers before the end of September 2013, so that all grantees can start Year Two operations on October 1 2014.

Grantee Baseline Assessments Completed

The second major milestone achieved to date is that an Organizational Capacity Assessment (OCA) baseline was completed in February 2013. FtF-INVC using the recommended USAID OCA process focusing on eight institutional dimensions - with some modifications to address the local situation in Malawi - that are critical to effective organizations: Governance; Human Resources; Financial Resources; Management Practices; Service Delivery; External Relationships; Sustainability; and Cross-Cutting Issues.

The results of the baseline capacity assessment have been presented to USAID in other documents so those details are not included here. Those results – which show a wide range of capabilities across grantees and dimensions – forms the foundation on which capacity building plans have been developed and HICD activities scheduled in the 2014 Work Plan. Summaries of those plans are noted in the table below (IITA is an International Organization already qualified to receive USAID grants and is therefore not included in capacity assessment).

Table 9: Capacity needs and proposed approach to capacity building

Organization	Capacity Needs/Thematic Areas	Approach/Processes
MMPA	Human Resources; Service Delivery; External Relations; Sustainability & Cross-cutting issues; accountability; and proposal development	Training; mentoring and coaching
CADECOM	Governance; Human Resource Management; Financial Resources; Project Management Practices; External Relations (change management); Sustainability & Cross-cutting issues; proposal development	Training; mentoring and coaching
ACE	Governance; Human Resource Management; Financial Resources; Management Practices; External Relations (change management); Sustainability & Cross-cutting issues	Training and coaching
Pakachere	Proposal development (Financial Resources)	Training & Coaching
NASFAM	Proposal development (Financial Resources)	Training & Coaching
FUM	Governance; Service Delivery & Cross-cutting issues	Training; Mentoring and Coaching
Nkhoma	Governance; Human Resources; Financial Resources; External Relations (change management); Cross-cutting issues; proposal development and writing	Training; Mentoring and Coaching
CISANET	TBD [Baseline will be conducted once this grant agreement is finalized and a training plan developed.]	

While the FtF-INVC grantee list has been finalized, current grant agreements – which include detailed work plans, deliverables and budgets for more than one year – are only effective for their first phases

through September 2013. Grantees are preparing updated work plans, budgets and deliverables that will constitute the basis for new grant agreements for the 2014 Work Planning period (October 1, 2013 – September 30, 2014).

As grantees prepare their 2014 work plans and budgets, their new grant agreements will specifically include capacity building activities, budgets and targets to move their Organizational Capacity scores levels over this next year. A second of three planned OCA assessments is also scheduled for Year Two to track progress against 2014 targets and deliverables. Note that a final Organizational Capacity Assessment is currently planned for April 2015 as part of Project closedown.

SUB-TASK 2: DELIVER CUSTOMIZED CAPACITY BUILDING TO FTF-INVC GRANTEES

Individual grant agreements detail specific deliverables and reporting requirements on progress against deliverables patterned on USAID reporting requirements. Just as the FtF-INVC Project reports to USAID periodically – e.g. monthly invoices; quarterly reports; etc. - our grantees are required to submit to the project: monthly financial reports and invoices; quarterly technical and operational reports; and ongoing M&E reports capturing the outputs and outcomes of individual activities and events. Post-grant award monitoring activities are detailed in the M&E section of this work plan.

The FtF-INVC Grants Manager, Operations Manager, new Grants Accountants (2 currently being recruited to address the surge in financial administrative support that is needed), and M&E Coordinators will work with our grantee partners on a regular basis to: 1) assist them to complete high-quality, on-time reports; and 2) regularly monitor grantee activities via their reports to identify capacity gaps and weaknesses. As capacity issues surface, the FtF-INVC team will either provide mentoring, draw on national BDS service provider grantees, or, if needed, arrange for the appropriate technical expert to deliver that assistance. For example, DAI Chief Compliance Officer Mike Walsh recently came to Malawi to deliver a series of trainings for FtF-INVC grantees that specifically addressed USAID policy and compliance requirements. Either individually or as part of the boarder MIM's training, customized capacity building activities will be delivered over the course of the 2014 Work Planning period. This process will increase the capacity scores of FtF/INVC partners by the end this planning year.

SUB-TASK 3: DESIGN CAPACITY STRENGTHENING PROGRAM/PLAN TO ADDRESS GAPS

Based on the capacity gaps identified during assessments of partner institutions, their associations and unions, FtF-INVC and our Project Partners have developed capacity building plan to incorporate training, peer-to-peer learning, and the use of guided capacity building tools and processes endorsed by USAID and the GoM. The implementation of these plans will be done either by FtF INVC Grantees with Project Staff support or using business service providers such as MIM, Tradeline and Umodzi Consulting.

FtF has already developed a series of capacity building activities for farmer associations and milk-bulking groups that will culminate in development of business plans for respective associations and MBGs. FtF INVC is finalizing agreements with Tradeline and Umodzi Consulting that will provide these capacity building services. In this planning period (2014), we have targeted 34 associations to receive business plan development assistance as one module of a package of training modules that will include financial management, record keeping, governance and leadership training.

Deficiencies identified in the DQA will be addressed by FtF-INVC capacity building activities. FtF-INVC will design capacity building interventions to specifically address the limitations identified in the DQA, in consultation with the Mission.

TASK 2: ENHANCE HUMAN AND INSTITUTIONAL CAPACITY DEVELOPMENT (HICD) WITHIN VALUE CHAINS

A number of capacity building activities has been included and detailed earlier in this work plan. What follows here is a summary of those activities from the cross-cutting HICD perspective. The FtF-INVC Capacity Building Specialist is accountable for: 1) providing HICD technical assistance as appropriate across the project for FtF-INVC Staff, Partners and stakeholders; 2) ensuring that HICD activities are integrated and coordinated across the project; and 3) collating and reporting on FtF-INVC HICD activities writ large.

Capacity-building activities have been organized in layers along the multiple dimensions of project components, and the three target value chains actors: value chain actors upstream and downstream of production, goods and service providers, and regulators.

SUB-TASK 1: GRANTEE TECHNICAL CAPACITY BUILDING

USAID Forward HICD activities have been detailed above in Component 5: Task 1. Because the success of the project depends almost entirely on our grantees successfully building their respective capabilities -- and then operationalizing those skills through the end of the project and beyond -- the FTF-INVC's Grants Manager and Capacity Building Specialist spend most of their time mentoring, managing, monitoring, and reporting on key capacity elements that align with USAID Forward goals.

SUB-TASK 2: MULTI-LAYERED, MULTI-DIMENSIONAL CAPACITY BUILDING WITH VALUE CHAIN STAKEHOLDERS

The Project's work with value chain stakeholders best illustrates multi-dimensional activities implemented in several layers. Implementing Partners are provided guidance, technical assistance and support from FtF-INVC Staff; from grantee Program Managers as well as Value Chain Leads. Implementing Partners train and deploy trainers (ToTs), who train Lead Farmers, who then train smallholder beneficiaries. Nutrition capacity building is integrated into the core operating committees of implementing partners in the agricultural value chains and is delivered with Technical Service Provider support in the same multi-layer, multi-dimensional way to the level of groups of households in the selected EPA's in Mchinji and Lilongwe Districts. Other value chain stakeholders – traders and brokers; processors and industrial buyers; banks and other service providers – will either be included in trainings or attend specific trainings arranged to address specific topics. The Capacity Building Specialist will oversee and coordinate this mosaic of capacity building activities to ensure that HICD efforts are integrated, efficient, and meet project targets.

SUB-TASK 3: HICD BY PROJECT COMPONENT

Each FtF-INVC project component contains specific, detailed capacity building activities. For example, Component 1 has programmed extensive training at every level and along every dimension of our target value chains on the Warehouse Receipt System (WRS). Likewise productivity training in Component 2 and nutrition training in Component 3 has been scheduled. Staff and partner work plans contain activities, resource allocations, and timelines detailing what capacity building will be done, when it is planned, by whom, and with what resources. M&E Coordinators are scheduled to assist project staff and our partners develop M&E plans, capture the required capacity building data along with other required data and include that information as part of the Project Reporting System.

SUB-TASK 4: HICD THROUGHOUT VALUE CHAINS

The ultimate objective of value chain capacity building is to help smallholder households to adapt and adopt feasible and sustainable agricultural technologies and farm management practices; to help farmers link to new and better markets; and to improve their productivity and grow their incomes with assistance from FtF-INVC Implementing Partners who have a better understanding of sustainable business practices. Likewise nutritional capacity building will work through the same set of smallholder households in a sequenced manner to increase access and availability to food and improve food utilization behaviors for communities as a whole. The project will continue to work with value chain partners to deliver best bet technologies, management practices and nutritional information to farmers and value chain stakeholders through the capacity building activities embedded in our value chain interventions.

Table 10: Component 5 - Developing Local Capacity

Planned Activities	Objectively Verifiable Indicators	Means of Verification	FY 2014						Responsible Person	Assumptions	Risks
			Quarter 1			Q2	Q3	Q4			
			O	N	D						
Task 1: Develop Malawi's Capacity Going Forward											
Sub-Task 1: Upgrade/Improve Organizational Capacity to Manage Grants											
FORWARD institutional capacity building.	8 Grantees complete MIM HICD training in assigned thematic areas	Ttraining evaluations. Assessment scores.							INVC	Grantees have sufficient competency to complete training and graduate within the INVC project life and are committed to attending the courses.	
Sub-Task 2: Deliver Customized Capacity Building to FtF-INVC Grantees											
FORWARD customizedl capacity building.	INVC Grants Manager, Capacity Building Specialist, Operations Manager and Grants Accountants deliver individual monitoring, mentoring and support.	Reports - complete; appropriate quality; on time.							INVC	Grantees have capacity to complete work and submit accurate, timely reports on that work.	
Task 2: Advance Institutional Capacity Development (HICD) Within Value Chains											
Sub-Task 1: Grantee Technical Capacity Building											
Coordinate with Program Managers to develop, integrate and deliver Grantee technical capacity	8 Grantee capacity building plans documented; integration between plans	Completed plan							INVC	Partners willing to be responsible for their own capacity building	

Planned Activities	Objectively Verifiable Indicators	Means of Verification	FY 2014						Responsible Person	Assumptions	Risks
			Quarter 1			Q2	Q3	Q4			
			O	N	D						
building	designed into each plan										
Monitor and report on grantee technical capacity building by grantee	Periodic capacity building reports	Report completed; targets met							INVC	Partners willing to be responsible for their own capacity building	
Sub-Task 2: Multi-layered, Multi-dimensional Capacity Building											
Conduct business capacity assessments of unions, associations MBGs of partner organizations	Six associations under FUM, NASFAM, CADECOM	Assessment report							INVC	Partners willing to be assessed	
	Five MBGs assessed	Assessment report							INVC	Partners willing to be assessed	
Design capacity strengthening program/plan to address gaps	Business Plans for Associations and MBGs developed	Completed plans							INVC	Partners willing to cooperate for capacity building of their associations	
Sub-Task 3: HICD by Project Component											
Coordinate with Component leads to develop, integrate and deliver Grantee technical capacity building	8 Grantee capacity building plans documented; integration between plans designed into each plan	Completed plan							INVC	Partners willing to be responsible for their own capacity building	
Monitor and report on grantee technical capacity building by project component	Periodic capacity building reports	Report completed; targets met							INVC	Partners willing to be responsible for their own capacity building	
Sub-Task 4: HICD Throughout Value Chain											
Coordinate with	8 Grantee	Completed							INVC	Partners willing	

Planned Activities	Objectively Verifiable Indicators	Means of Verification	FY 2014						Responsible Person	Assumptions	Risks
			Quarter 1			Q2	Q3	Q4			
			O	N	D						
Value Chain Leads to develop, integrate and deliver Grantee technical capacity building	capacity building plans documented; integration between plans designed into each plan	plan								to be responsible for their own capacity building	
Monitor and report on grantee technical capacity building by Value Chain	Periodic capacity building reports	Report completed; targets met							INVC	Partners willing to be responsible for their own capacity building	

INTEGRATING AGRICULTURE, NUTRITION, AND CROSS-CUTTING ISSUES

FtF-INVC—consciously operating within the nexus of agriculture and nutrition to reduce poverty, improve food security and enhance nutrition—marries agricultural and nutrition approaches to achieve its goals. FtF-INVC serves a single operational platform to facilitate unified messaging, activities design and activity monitoring. FtF-INVC uses best practice and operating guidelines from agricultural value chains and nutrition programs to adjust project and partner activities to ensure that cross-sectoral issues—such as gender, ICT, HIV/AIDS, and adaptation to climate change — are addressed as opportunities and risks. Gender issues, for instance, are mainstreamed throughout value chain and nutrition activities to focus on female ownership and control of productive resources. ICT approaches are piloted to improve community and female access to productivity, marketing, transport, management, nutrition, and service information. Adaptation and resilience to climate change are used as a filter to influence selection of technologies to enhance primary productivity and value chain competitiveness. Livelihood and fortified food strategies for vulnerable households are linked through food utilization training and referrals to HIV/AIDS programs and services.

Table 11: Cross-Sectoral Issues, Opportunities and Risks

Sample Factors/Issues		Programming Dimension	Project Reponses
Opportunities	High proportion of women among smallholders	Change agents for INVC	Target women as caretakers and willing risk takers; apply gender guidelines and inclusion standards from both value chain and nutrition and health programs.
	Growing number of organizations working in the agriculture /nutrition nexus	Change agents for INVC	Target promising organizations as service providers; work through organizational clusters for consistent messaging, demonstrations and activities; help organizations to build integrated programming
Challenges-Overall	Two disciplines merged	Two different systems and approaches; tendency to look at two different streams of results	Transcend two disciplines through a single operational platform; systematically apply “behavior change” filters to activities and results; monitor activities for decision-making patterns and results
	Three year program	Tight timeframe for transformation	Build capacities of promising local organizations to carryon activities and components of INVC
	Strongly embedded local traditions, norms	High levels of risk aversion	Apply behavioral change approaches to all aspects of INVC; link messages and demonstrations to generate greater awareness of issues and options
Challenges-Interventions	Strong preference for maize, crowding out production/ consumption of other foods	Limits willingness to try new cropping options; undermines effectiveness of demonstrations	Pair messages with demonstrations; disseminate message through multiple channels; demonstrate legume practices that benefit the maize crop in rotations; target women as decision-makers and managers of grain legume crop production, food storage and preparation
	Time-demands on women, curtailing participation in learning events	Limits adoption of labor-saving devices; skews technology adoption	Use ICT and trained community-based volunteers to provide women with alternate times and venues for attending training;
	Serious soil depletion,	Reduces returns to land, labor and capital increasing	Promulgate evidence-based soil fertility management, weed control, smallholder adapted

Sample Factors/Issues		Programming Dimension	Project Reponses
	dampening productivity	smallholder risk aversion, limits food supplies	conservation farming options, micro-sized inputs, and community storage
Benefits	Food security, holistic responses	Pulls together the three dimension of food security (availability, utilization, accessibility) with the management of weather and climate risks to improve stability of food security	Focus on a consistent, compatible messaging and activities in food production, processing, storage, and dietary diversity. Crop and livestock specific messaging on management of weather and climate risks.

GENDER

The complexity of the agriculture/nutrition nexus demands that FtF-INVC be attentive to household dynamics that influence decision-making and gender relations. Increases in agricultural productivity and income gains alone are insufficient to equitably reduce hunger and under-nutrition for every household member. It is therefore important to understand and account for gender roles and responsibilities to ensure that increased production translates to improved nutrition for all.

Under Ftf-INVC, all activities applies a comprehensive approach to gender inclusion that gives careful attention to women and mitigates any gender bias in both project activities and project benefits. Furthermore, in keeping with USAID's Gender policy, FtF-INVC makes every effort to enhance the visibility and inclusion of women by ensuring that at least 25% of all participants and beneficiaries are women. However, that said, because social change happens only when everyone involved understands, FtF-INVC ensures that outreach efforts constructively engage men as well, so that they are better able to understand how supporting women's uptake of new technologies and practices has beneficial multiplier effects at the household, community, and sector levels.

Since women often do not control family decision-making or resources, for nutrition interventions, FtF-INVC demonstrates the importance of improved nutrition to men as well as women, engaging more men as "Father Leader Volunteers" in the Care Group model and thus plays a direct role in improving household-level nutrition. In Year One, we worked with many health and nutrition authorities and organizations to examine the Behavioral Change Communication issues of male involvement as promoters and care group volunteers and their roles in household food and meal decisions that affect women's' and childrens' nutrient access and utilization. These deliberations were used to develop promotional campaigns to sensitize both male and female producer-consumers to the importance of household nutrition considerations when making decisions, and encourage men to assume an active role in supporting improved farming practices by women and better nutrition for their families. FTF-INVC grantees have been required to work through gender differentiated approaches and gender mainstreaming in their grants applications and work planning process. INVC and its implementing partners both collect gender differentiated data in its monitoring and reporting system.

While we have done extensive and intensive work already on gender from a value chain and a nutrition perspective, we did not complete the formal gender assessment. A scope of work that meets USAID guidelines, while taking into account analyses already performed by our staff, will be completed by late September. The formal gender assessment will begin in September 2013 and be completed in October.

INFORMATION AND COMMUNICATIONS TECHNOLOGY

DAI discusses ICT activities in Components 1,2, 4, and 5. Please refer to those Component workplan descriptions for greater detail of the way that we are working with our partners and private sector contributors to address important issues encountered thus far, including: capital cost, operating cost, price for value of service provided and purchasing power levels of end-users, and power supply to support information dissemination and diffusion in rural areas.

ADAPTATION AND RESILIENCE TO CLIMATE CHANGE

The FtF program emphasis is on *sustainable intensification* of agricultural production. Adaptation and resilience to climate change are used as a filter to influence the selection of technologies enhancing primary productivity and value chain competitiveness. At the 'zone of influence' impact level, the FtF program uses biophysical measures, focused on soil organic matter content, to complement the standard measure of increased gross margin to land, water or animal for crop or livestock products. The biophysical impact measure is intended to capture greater adoption of practices and technologies that are adapted to climatic change. Some examples are warmer temperatures that increase water stress and favor the development of crop pests and livestock diseases, shifts in rainfall patterns and intensity that affect critical crop growth stages or livestock reproductive cycles, and changes in temperature extremes that may prove stressful to crops and livestock, or extend the geographic range of pests and diseases into new areas. However, the availability of climate change adaptive crops, livestock, and production practices depends on a multitude of decisions of policy makers. They are responsible for directing the flow of budgetary and physical resources into research, infrastructure, policies on resource conservation, regulatory codes of practice, fiscal incentives or disincentives, and in turn their understanding of the effects of changing climate and weather patterns on agricultural production and rural household resiliency.

In Year One, FtF-INVC worked with the national and international structures to identify scaling-ready 'best bet' technologies developed around the theme of sustainable intensification. These structures included ICRISAT, IITA, Chitedze agriculture research station, Bunda College, Africa Rising, N2Africa, among others, from the research and development sphere. NASFAM, CADECOM, FUM, and MMPA are involved in the testing, demonstration, and extension of sustainable agricultural technologies, with a special emphasis on soil fertility management and integrated pest management. NASFAM and CADECOM were deeply engaged in the scaling of mother-baby trials using doubled-up legumes to improve utilization of soil nutrients and moisture, to improve early season ground cover into order to reduce in-field erosion and to reduce early-season aphid pressure on groundnuts.

FtF-INVC remains focused with implementing partners on scaling up the use of already-tested production practices shown to improve per unit land and water (rainfall) resource use efficiency. Some examples are double-cropped legumes; legume intercropping and relay cropping; crop rotations; reduced tillage, permanent pits and planting slots; mulching; weed control; and, disease resistant pest and stress tolerant grain legume varieties.

Given the length of the project, it is unlikely that activities started in Year One or Year Two will have a generalized, measurable impact on soil organic matter (SOM) because of the slow rate of natural rate of biological incorporation of carbon in Malawi's soils, and the slow observed rates of adoption and diffusion of practices like conservation agriculture. On heavier soils in the 2012/13 season, for example, heavy rains demonstrated the advantages of ridging to ensure adequate root zone drainage, showing once again that simple-minded and pan-territorial agronomic recommendations are unwise. FtF-INVC will not seek to measure SOM biophysical changes but will interact with USAID

evaluators to help define the sampling frame that can be used to assess such changes over the longer five year period of their impact evaluation.

FTF-INVC made a major push to revise the training and extension services delivered on the technical elements of postharvest storage and handling to reduce the loss of food and oilseed grains and the loss of milk. Postharvest losses reduce the energy, carbon, and water efficiency balance sheets, and while our primary focus is on food and nutrition, we have worked with implementing partners to reinforce the notation that lower losses are among the best near-term adaptation strategies to improve the climate resilience of Malawi's farms and farm households. While protecting crops from greater pest and disease pressure in the face of a warming climate and the variations in early and late season rainy patterns that have evolved in Malawi over the past 2 decades is extremely important, our staff did not find sufficient evidence to initiate scaling of often promoted postharvest interventions such as metal silos, hermetic sacks, and pallet covers. Hermetic sacks and pallet covers are being tested by IPs with other donor support on maize this year, and commercial distributors are investing in their supply, but indicative results will not be ready until late November 2013, and detailed cost-benefit analysis will not be possible until March 2014.

Our focus with partners on dry season feeding strategies and cross-breeding versus imports of purebred heifers are two examples of how simple shifts in strategy should result in a more resilient approach to dairy herd productivity and development. In a process that took over a year, we were successful in shifting gradually the feeding and breeding strategies of MMPA towards more environmentally sustainable approaches.

FtF-INVC works with partners to develop the messaging and BCC practices on climate change adaptation that are communicated as part of Components 1, 2, and 3, along with support from the IIF in Component 4.

Our staff worked on systemic climate-risk mitigation innovations, e.g. crop insurance, storage insurance, and weather-risk indexed micro-insurance, in Year One. In Year Two we will continue our discussions with ATI and with Micro-Ensure on the design of weather-indexed insurance continues with them and with interested Implementing Partners. Banks, insurance companies, and re-insurance companies are participating in these discussions, but they find it difficult to assess risk management approaches when there is still significant macro-economic risk and weather-data coverage that is insufficient to test weather-event models. Progress will be slow on the insurance front, unless there are unexpected breakthroughs over 2013/2014.

HIV/AIDS

HIV/AIDS is a high priority issue in Malawi and throughout the region. FtF-INVC Community Nutrition activities in Component 4 deal explicitly with HIV positive and affected households. The FtF-INVC staff is well aware of the interactive effects of HIV/AIDS, ARV treatment and secondary infections on nutritional status, as well as the pressures they have been brought due to reduced labor availability and increased wage rates, especially for labor intensive agricultural activities such as land preparation and weeding. Our efforts to identify appropriate scaling mechanisms for mechanization and improved weed control are two examples of indirect responses to the HIV/AIDS problem.

The FTF-INVC staff members who are responsible for leading and mentoring nutrition integration activities are deeply knowledgeable about Government of Malawi and donor HIV/AIDS programs. They also know the USAID programs that are investing heavily in HIV/AIDS detection, counseling, treatment and economic adaptation through the SSID project in four of the seven INVC districts. In 2013/2014, INVC will cooperate fully with this project and other public and private HIV/AIDS

initiatives, linking up to them through the health referral mechanisms already designed in the Care Group Model, and activated and tested at scale in July with over 274,000 people.